PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Kula (KULA)

Last updated on August 28, 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 KULA 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 KULA. 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 Kula and how does it work?

Kula is a two-tier “double-DAO” platform that pools a central treasury and, through on-chain voting, allocates funds to country-level Regional DAOs for real world commodity and infrastructure projects. Proposals must meet quorum and quadratic voting thresholds; once approved, multi signature smart contracts release the funds to the Regional DAO.

The KULA token is the platform’s governance token enabling holders to submit proposals, vote to approve funding and protocol changes.

Who is behind the project?

KulaDAO Foundation created and developed the project under the leadership of co-founders Samuel Chen, Christopher Turner, and Micah Yeackley.

Tokenomics of Kula

The total supply of KULA is 10 billion tokens.

General Risks

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

Competition

Kula faces competition from other platforms that combine on-chain governance with real-world-asset financing such as Centrifuge and Polymesh. KULA's value derives from its broader adoption in the market; if Kula fails to achieve sufficient traction compared to these alternatives, this could negatively impact the value of KULA.

Due Diligence

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