

PAYWARD CANADA INC.
CRYPTO ASSET STATEMENT
Yellow Ket (KET)

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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 KET 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 KET. 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 Yellow Ket and how does it work?

Yellow Ket is a cryptocurrency project operating on the Avalanche blockchain that integrates artificial intelligence (AI) with decentralized Finance (DeFi). Yellow Ket utilises an AI agent to autonomously execute trades with funds from the project's DAO across multiple blockchain networks.

The Yellow Ket AI agent is designed to conduct trades to optimize profitability while minimizing risk by adapting to market conditions across various blockchains. Profits generated by the AI agent are strategically reinvested into the project's treasury, aiming for sustainable growth and ongoing development. This approach seeks to ensure long-term viability and fund continuous initiatives within the Yellow Ket ecosystem. Fifty percent of Yellow Ket's AI's profits are used to acquire additional KET tokens for the DAO.

KET is promoted as a memecoin with a cat-themed mascot but also involves a community-centered governance structure that features the Yellow Ket DAO, where KET holders are granted voting rights on key decisions regarding the development of the platform. Yellow Ket also has an art and NFT gallery,

where proceeds from this gallery contribute to the DAO's treasury. Yellow Ket promotes its origins and registration in Wyoming, USA as a crypto friendly jurisdiction.

Who is behind the Project?

Yellow Ket's Project Team includes the pseudonymous team of Russel, Nobs and tactical Retreat.

Tokenomics of KET

KET has a total supply of 1 billion tokens. The token distribution is as follows:

Category	Allocation	Details
Presale	65%	Distributed during presale phases for fundraising and community building
Liquidity Pool (LP)	25%	Locked for On-chain exchange liquidity and trading operations
Development Fund	10%	50% of Development Fund (5% of total supply) is subject to 6 month cliff and linear vesting over 3 years post cliff. Remaining tokens are unlocked at TGE for immediate operational needs.
Total	100%	

General Risks

Like all other digital assets, there are some general risks to investing in KET. 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 Yellow Ket

Competition

KET faces competition from other artificial intelligence projects such as ai16z, Hey Anon and many others. KET's value derives from the project's broader adoption in the market. If Yellow Ket fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of KET.

Due Diligence

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