

PAYWARD CANADA INC.  
CRYPTO ASSET RISK DISCLOSURE  
Suku (SUKU)

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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 SUKU 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 SUKU. 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 SUKU and how does it work?**

SUKU is a blockchain-based platform that provides tools for businesses and consumers to trace products, verify documentation, and conduct transactions within a decentralized system. It uses a hybrid architecture that combines public Ethereum for transparent token transactions and permissioned Quorum, a private blockchain used to handle confidential supply chain operations between approved participants. The platform includes modules for product tracking, document authentication, and marketplace functionality, and is intended for use across various supply chain environments.

The SUKU token is used within the SUKU ecosystem primarily to pay transaction fees.

**Who is behind the project?**

The project is developed by Citizens Reserve, Inc. and led by CEO Yonathan Lapchik, Chairman/Co-founder James Bower, President/Co-founder Addison McKenzie, and CTO Lucas Henning.

**Tokenomics of SUKU**

Category	Amount
Trading Partners	28%
Technology Partners	26.8%
Operations	20%
Token sales	12.9%
Team	10%
Initial exchanges and mining	2.3%

## General Risks

Like all other digital assets, there are some general risks to investing in SUKU. These include short history risk, volatility risk, 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 SUKU

### *Competition Risk*

The SUKU Platform faces competition from other Supply chain ledgers such as VeChain, OriginTrail, and many others. SUKU's value derives from its broader adoption in the market. If the SUKU Platform fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SUKU.

## Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on SUKU and determined it was permitted to make SUKU available for trading to Canada users. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of SUKU, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created SUKU;
- The supply, demand, maturity, utility and liquidity of SUKU;
- Material technical risks associated with SUKU, including any code defects, security breaches and other threats concerning SUKU 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 SUKU, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of SUKU, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the Canada, other regulators of the International Organization of Securities

Commissions, or the regulator with the most significant connection to SUKU about whether SUKU, or generally about whether the type of crypto asset, is a security and/or derivative.