PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

MXC

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Last updated on August 13, 2025

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 MXC 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 MXC. 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 MXC and how does it work?

MXC is a decentralised global data network launched in 2018 by the non-profit MXC Foundation. It uses MXProtocol, a system that combines Proof-of-Participation (PoP) incentives and Low-Power Wide-Area Network (LoRaWAN) connectivity to let individuals, enterprises and public entities exchange data without a central intermediary. The protocol is often described by the team as a “global data republic”: anyone can provision low-cost IoT devices, share GDPR-compliant data and settle usage fees with the native MXC token.

Since 2024 the project has been migrating from an ERC-20 design to Moonchain, its own Layer-3 zkEVM blockchain. The Layer-3 architecture batches transactions with zero-knowledge proofs to reduce costs while remaining anchored to Ethereum for security. Wearable-first “WearFi” mining devices, such as smart rings and watches, now join the original LPWAN gateways in earning MXC for relaying data, underscoring MXC’s shift toward Decentralised Physical Infrastructure Networks (DePIN). Across both generations of hardware, PoP rewards token-holders who stake MXC and maintain reliable coverage, while optional burn functions introduce a deflationary element over time.

The MXC token serves multiple roles: paying transaction fees on Moonchain, bonding stake to gain network priority, rewarding data-relay participants and acting as the unit of account in the protocol’s inter-chain marketplace for IoT data, AI services and NFTs.

Who is behind the Project?
The MXC project was founded by Aaron Wagener and Sheen Hu.

Tokenomics of MXC
The total and circulating supply is, during August 2025, 3,007,833,171 MXC.

At genesis, the token's distribution was as follows:

Category	**Allocation**
Private sale	30%
Early investors	20%
Team	20%
Foundation	20%
Private ICO	10%
Total	**100%**

General Risks
Like all other digital assets, there are some general risks to investing in MXC. 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 MXC

Competition
The MXC network faces competition from other IoT-focused platforms such as Helium, IOTA and many others. MXC's value derives from its broader adoption in the market. If the MXC network fails to achieve sufficient adoption compared to other options, this could negatively impact the value of MXC.

Centralisation
Historically, miners withdrew rewards through a single mobile application. Reported interruptions in withdrawal functionality can discourage participation, potentially reducing network coverage and harming MXC's value.

Due Diligence
Prior to listing on the Kraken platform, Kraken performed due diligence on MXC and determined that MXC 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 MXC, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created MXC;

- The supply, demand, maturity, utility and liquidity of MXC;
- Material technical risks associated with MXC, including any code defects, security breaches and other threats concerning MXC 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 MXC, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of MXC, 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 MXC about whether MXC, or generally about whether the type of crypto asset, is a security and/or derivative.