

# PAYWARD CANADA INC.

## CRYPTO ASSET STATEMENT

### NTRN

#### Neutron (NTRN)

Last updated on August 19, 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 NTRN 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 NTRN. 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 Neutron and how does it work?

Neutron is a cross-chain smart-contract platform built with the Cosmos SDK and connected to other networks through the Inter-Blockchain Communication (IBC) protocol. It debuted in May 2023 as the first consumer chain secured by the Cosmos Hub via Interchain Security (also called Replicated Security).

Following the “Mercury” upgrade in April 2025, Neutron became a fully sovereign proof-of-stake network with its own validator set and native NTRN staking, while retaining seamless IBC interoperability. CosmWasm powers Neutron’s programmable layer, enabling contracts written in Rust (and other supported languages) to initiate Interchain Queries and Calls that read from or execute on remote chains.

The network’s multi-denomination fee model lets users pay gas in any liquid token; payments made in NTRN or ATOM receive a protocol-defined discount. NTRN is a fixed-supply utility and governance asset: holders can stake to secure the network, bond tokens in voting vaults to participate in Neutron DAO governance and pay transaction fees. A deflationary Fee Burner module introduced with Mercury destroys NTRN collected as gas, while non-NTRN fees are routed to the DAO treasury.

Prior to Mercury, 25 % of all fees were directed to the Cosmos Hub for security and the remaining 75 % were either burned (if paid in NTRN) or sent to Neutron's Reserve contract (if paid in other tokens). This fee-sharing arrangement ended once Neutron adopted sovereign security.

### **Who is behind the Project?**

Neutron was created in early 2023 by a former Lido DAO (LDO) community manager, Avril Duthiel.

### **Tokenomics of NTRN**

The maximum supply of NTRN is 1 billion with a circulating supply of approximately 610 million. The initial distribution of NTRN was as follows:

Category	Allocation
Treasury	27%
Team	23%
Reserve	24%
Investors	11%
Airdrops	7%
Liquidity Bootstrap	5%
Binance Launchpool	2%
Advisors	1%
<b>Total</b>	<b>100%</b>

### **General Risks**

Like all other digital assets, there are some general risks to investing in NTRN. 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 Neutron**

#### *Developer Dependence*

Although there are many developers working on Neutron, there are no guarantees that they will continue to contribute. Neutron could be negatively affected by an inability to retain and/or attract developers continue to continue supporting its product.

### **Due Diligence**

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