

# PAYWARD CANADA INC.

## CRYPTO ASSET STATEMENT

XDC Network (XDC)

Last updated on May 23, 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 XDC 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 XDC. 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 XDC Network and how does it work?

XDC Network is an EVM-compatible hybrid blockchain built for global trade-finance and enterprise use. It combines a fast public ledger with optional private sub-networks, achieves two-second block times and low fees through Delegated Proof-of-Stake (up to 108 validator masternodes, each staking 10 million XDC), and offers tools such as the TradeFinex dApp and an Ethereum bridge for cross-chain transfers.

The XDC token is the network's gas for all transactions, must be staked (or delegated) to operate validator nodes and earn rewards, and gives those validators governance weight on protocol upgrades.

### Who is behind the project?

XDC Network was created and initially launched by XinFin FinTech Pte. Ltd, a Singapore-incorporated fintech company founded in 2017. The project's primary founders are Atul Khekade, Ritesh Kakkad, and Peter Yeo.

### Tokenomics of XDC

The total supply of XDC is 100 Billion tokens which is distributed as follows:

| XDC Allocation                            | XDC tokens         | % of Total supply |
|---|--------------------|-------------------|
| Founders & Core Team                      | 25 billion         | 25%               |
| Ecosystem Development Pool                | 15 billion         | 15%               |
| Pre-placement & Follow-up Token Offerings | 10 billion         | 10%               |
| Ecosystem Participation Incentives        | 32.5 billion       | 32.5%             |
| Hedge Pool                                | 10 billion         | 10%               |
| Philanthropic & Social Causes             | 5 billion          | 5%                |
| Contingency Fund                          | 2.5 billion        | 2.5%              |
| <b>Total</b>                              | <b>100 Billion</b> | <b>100%</b>       |

## General Risks

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

### *Competition*

The XDC Network faces competition from other Layer 1 networks such as Solana, Avalanche, and Sui. XDC's value derives from its broader adoption in the market. If the XDC Network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of XDC.

### **Due Diligence**

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