

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Canton Coin (CC)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading Canton Coin. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the [Risk Summary](#) for additional discussion of general risks associated with the assets made available in the 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 risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is Canton Network and how does it work?

The Canton Network is a public permissioned blockchain designed to support secure, interoperable smart contract applications. It aims to enable multiple institutions to transact and synchronize data while maintaining control over privacy, governance, and operational policies. The network combines features of both public and private blockchains, aiming to support regulated financial use cases while remaining extensible and composable across applications.

Canton Coin is the native utility token used within the Canton Network. It plays a functional role in the ecosystem by enabling payment for network services such as transaction traffic and application usage.

Who is behind the project?

The Canton Network was developed by Digital Asset. The company was co-founded by Eric Saraniecki and Yuval Rooz.

Tokenomics of Canton Coin:

Canton Coin follows a predefined minting schedule, with up to 100 billion tokens permitted in the first 10 years. After that, the system allows for up to 2.5 billion tokens to be minted annually. Minting occurs in regular intervals and is allocated among application providers, validators, and Super Validators based on their activity and contribution to the network.

The token operates under a burn-and-mint equilibrium mechanism. When users pay network fees, the corresponding amount of Canton Coin is burned, reducing the overall supply. At the same time, new tokens are minted and distributed to contributors, such as those who provide infrastructure or operate

applications. This mechanism is intended to align token supply with actual network usage and promote price stability over time.

General Risks

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

Competition

The Canton Network faces competition from other Layer 1 blockchain platforms that focus on privacy, such as Partisia and Concordium. Canton Network's value derives from its broader adoption in the market. If the Canton Network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of Canton Coin.

Due Diligence

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

- The creation, governance, usage and design of Canton Coin, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created Canton Coin;
- The supply, demand, maturity, utility and liquidity of Canton Coin;
- Material technical risks associated with Canton Coin, including any code defects, security breaches and other threats concerning Canton Coin 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 Canton Coin, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of Canton Coin, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to Canton Coin about whether Canton Coin, or generally about whether the type of crypto asset, is a security and/or derivative.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. [Take 2 mins to learn more.](#)

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