

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

GAS

Last updated on 3 November 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 GAS 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 GAS. 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 Neo and how does it work?

Neo is an open-source smart-contract platform described as a “smart economy” stack that combines digital assets, digital identity, and programmable contracts. It runs its own Layer-1 blockchain (Neo N3) and includes built-in services such as native oracles, decentralized storage (NeoFS), self-sovereign identity (NeoID), and Neo Name Service.

NEOGAS commonly referred to as GAS, is one of the two native tokens of the Neo blockchain. It functions as the network’s utility token, used to pay transaction and system fees. GAS is generated automatically for NEO holders, who can claim accumulated rewards over time without staking. The Neo network also includes NEO, its governance token, which is used for voting in council elections and network decisions.

Who is behind the project?

Neo was founded by Da Hongfei and Erik Zhang.

Tokenomics of NEOGAS

The NEOGAS token is generated at a rate of five tokens per block and distributed among NEO holders, voters, and the Neo Committee. NEO holders receive 10% of the newly created GAS based on their holding period, while another 10% is allocated to committee and consensus nodes as governance rewards. The remaining 80% is distributed to NEO voters who successfully vote for elected committee and consensus members, with rewards recalculated every 21 blocks (one epoch).

General Risks

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

Competition

The Neo network faces competition from other Layer-1 blockchains such as Ethereum and Solana, among others. NEOGAS's value derives from its broader adoption in the market. If the Neo network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of NEOGAS.

Due Diligence

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