PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Floki (FLOKI)

Last updated on September 11, 2026

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 FLOKI 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 FLOKI. 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 Floki and how does it work?

FLOKI is the multi-utility token powering the Floki Ecosystem, a community-driven suite of products that currently comprises:

Valhalla NFT Metaverse Game - a play-to-earn MMORPG that went live on mainnet on July 1 2025; FlokiFi - a range of DeFi products such as FlokiFi Locker aimed at secure token, LP-token and NFT vesting; University of Floki - an online crypto-education platform; FlokiPlaces - an NFT and merchandise marketplace. The token exists on both Ethereum and BNB Chain. A custodial 1-for-1 bridge keeps supply aligned across the two networks, allowing holders to swap between them. FLOKI transfers on decentralized exchanges are currently subject to a 0.3% buy/sell tax. According to the Floki white-paper, 25% of this tax is used for an automatic buy-and-burn, while 75% flows to the Floki treasury to fund development and marketing. The DAO has stated that the tax will be removed once utility-product revenues can sustainably support the project's operations.

Who is behind the project?

Floki began as a community takeover of an abandoned memecoin in 2021. Governance is now exercised through Floki DAO, while strategic direction is coordinated by a pseudonymous core team known as B, Sabre, and Mr Brown Whale. The public, doxxed lead developer is Jackie Xu.

Tokenomics of Floki

FLOKI has a fixed maximum supply of ten trillion tokens, with no possibility of additional minting beyond this cap. All tokens were pre minted and introduced directly to the public through decentralized exchanges such as Uniswap on Ethereum and PancakeSwap on BNB Chain, where the market established their value through open trading. As of early 2026, the circulating supply is approximately 9.54 trillion FLOKI according to CoinMarketCap. This supply is intended to decline gradually as a result of periodic burns and treasury funded buybacks, reinforcing FLOKI's deflationary design while ensuring that resources remain available to support ecosystem growth, product development, and marketing initiatives.

General Risks

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

Competition

Floki faces competition from the other blockchain based gaming projects such as Axie Infinity, The Sandbox, Gala, and many others. The FLOKI token derives its value from the wider adoption of the Floki ecosystem, therefore if this ecosystem fails to generate sufficient interest or adoption, this could have a detrimental effect on the price of FLOKI.

Developer Dependence

FLOKI is the main utility token of the Valhalla Metaverse. Valhalla is currently being developed by a team of 11 people. Although there are developers contributing to the Floki ecosystem, there are no guarantees that they will continue to contribute. FLOKI could be negatively affected by an inability to retain and/or attract developers to continue to maintain and build out its gaming service.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on FLOKI and determined that FLOKI 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 FLOKI, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created FLOKI;
- The supply, demand, maturity, utility and liquidity of FLOKI;

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