

# PAYWARD CANADA INC.

## CRYPTO ASSET STATEMENT

### IDEX

Last updated on March 4, 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 IDEX 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 IDEX. 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 IDEX and how does it work?

IDEX (International Digital Currency Markets) is a hybrid decentralised exchange that combines an off-chain matching engine with on-chain settlement. Orders are submitted to a central order book and matched in real time, while final settlement of matched trades occurs through Ethereum-based smart contracts. This design lets traders place, cancel and modify limit orders instantly without incurring gas fees, yet still take custody of their assets during settlement.

The native ERC-20 token IDEX is used to pay trading fees, provide liquidity incentives and participate in staking that secures the exchange's validator network. IDEX currently operates on Ethereum and offers additional deployments on Polygon to reduce fees for users. Stakers lock IDEX to help run the network and earn a share of trading-fee revenue.

## Who is behind the project?

IDEX was founded in 2016 by Alex Wearn and Phil Wearn.

## Tokenomics of IDEX

IDEX has a fixed maximum supply of 1 billion tokens, which were distributed as follows:

Category	Amount
Market-maker rewards	40%
Team allocation	25%
Future employees	10%
Future ecosystem use	10%
IDEX memberships	10%
Business expenses	5%

Approximately 995 million tokens are in circulation as of March 4, 2026.

## General Risks

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

### *Competition*

The IDEX network faces competition from other cryptocurrencies such as Uniswap, 1inch, and many others. IDEX's value derives from its broader adoption in the market. If the IDEX network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of IDEX.

### **Due Diligence**

Prior to listing on the Kraken platform, Kraken performed due diligence on IDEX and determined that IDEX 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 IDEX, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created IDEX;

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