

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Stool Prisondente (JAILSTOOL)

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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 JAILSTOOL 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 JAILSTOOL. 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 Stool Prisondente and how does it work?

JAILSTOOL is a memecoin on the Solana blockchain, inspired by Dave Portnoy's recent activity in the cryptocurrency space, speculating that he might end up in jail.

The JAILSTOOL token's sole utility is to foster community engagement and provide social commentary in the form of a memecoin.

Who is behind the Project?

The token was first created on the 9th of February by an anonymous user. The creator has since sold all their tokens.

Tokenomics of JAILSTOOL

The total supply of JAILSTOOL is 999,853,822 tokens. The TGE was a fair launch with 100% of the supply available upon launch, with no initial private sales or pre-mined tokens as this was launched on Pump.fun.

General Risks

Like all other digital assets, there are some general risks to investing in JAILSTOOL. 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 Stool Prisondente

Competition

JAILSTOOL faces competition from other memecoins such as Official Trump (TRUMP), Dogecoin (DOGE), and many others. JAILSTOOL's value derives from the protocol's broader adoption in the market. If JAILSTOOL fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of JAILSTOOL.

Due Diligence

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