PAYWARD CANADA INC.

CRYPTO ASSET RISK DISCLOSURE

Monad (MON)

Last updated on October 24, 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 MON 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 MON. 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 Monad and how does it work?

Monad is a layer-1 (L1) smart-contract platform that aims to combine full Ethereum Virtual Machine (EVM) equivalence with very high throughput and low finality times.

Transactions are scheduled concurrently and then ordered deterministically, so non-conflicting calls complete in a single block, boosting throughput without altering existing Solidity or Vyper code. Security and liveness are provided by a proof-of-stake system paired with a Byzantine fault-tolerant consensus that targets one-second block times and two-second finality, aiming to deliver near-instant settlement and materially lower fees for end-users. Because Monad reproduces Ethereum's bytecode, pre-compiles and JSON-RPC interface, developers can redeploy dApps with minimal changes, giving retail users access to familiar DeFi and NFT platforms from launch.

MON is the utility token of the Monad network. It is used to pay gas fees and staking to secure the network.

Who is behind Monad?

Monad is co-founded by James Hunsake,Eunice Giarta, and Keone Hon, who serve as CEO, COO, and General Manager, respectively.

Tokenomics of MON

The total supply of MON is 100 billion tokens, which is distributed as follows:

Category	Amount
Ecosystem Development	38.5%
Team	27%
Investors	19.7%
Public Sale	7.5%
Category Labs Treasury	4%
Airdrop	3.3%
Total	**100%**

General Risks

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

Competition

Monad faces competition from other Layer 1 networks such as Berachain, Avalanche, and many others. MON's value derives from the project's broader adoption in the market. If Monad fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of MON

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on MON and determined that MON is unlikely to be a security or derivative under Canada 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 MON, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created MON;

- The supply, demand, maturity, utility and liquidity of MON;
- Material technical risks associated with MON, including any code defects, security breaches and other threats concerning MON 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 MON, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of MON, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the Canada, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to MON about whether MON, or generally about whether the type of crypto asset, is a security and/or derivative.