

# PAYWARD CANADA INC.

## CRYPTO ASSET STATEMENT

### SUSHI

#### SushiSwap (SUSHI)

Last updated on September 8, 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 SUSHI 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 SUSHI. 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 SushiSwap (SUSHI) and how does it work?

SushiSwap is a community-governed decentralized exchange (DEX) operating as an automated market maker (AMM) on Ethereum and other compatible blockchains. It allows users to swap cryptocurrencies directly through liquidity pools rather than relying on a centralized order book. Liquidity providers (LPs) deposit pairs of tokens into smart contracts, enabling trading activity. Traders pay a 0.3% swap fee, which is distributed between LPs and protocol stakeholders. Governance of the protocol is handled by SUSHI token holders through a decentralized voting process.

The SUSHI token is central to governance and incentives on the platform. Holders can vote on proposals that determine protocol upgrades and treasury allocation. Liquidity providers may earn SUSHI through liquidity mining in addition to fee revenue. SUSHI can also be staked in the SushiBar to receive xSUSHI, which entitles holders to a share of protocol fees. Specifically, 0.05% of each trade's fee is allocated to buy SUSHI on the open market, which is then distributed to xSUSHI holders. This creates both a governance function and a mechanism that ties token value to platform activity.

#### Who is behind the project?

SushiSwap was launched in 2020 by pseudonymous developers Chef Nomi and OxMaki as a fork of Uniswap. Chef Nomi left the project shortly after launch, and OxMaki later stepped back from active

leadership. Governance then shifted to the community through a decentralized model. Since 2022, Jared Grey has served as “Head Chef,” overseeing development and operations under the Sushi DAO framework.

### **Tokenomics of SUSHI**

SUSHI was launched in 2020 with distribution through liquidity mining on Ethereum. There was no pre-sale or pre-mine, and no tokens were allocated to investors or insiders. For the first ~100,000 Ethereum blocks, 1,000 SUSHI were minted per block, after which emissions decreased to 100 SUSHI per block. Emissions continue based on governance decisions, meaning SUSHI does not have a fixed maximum supply.

As of September 2025, the circulating supply is approximately 277 million SUSHI.

### **General Risks**

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

#### *Competition*

The SushiSwap exchange faces competition from other smart contract platforms such as Uniswap, Balancer, Curve, and many others. SUSHI’s value derives from its broader adoption in the market. If the SushiSwap DEX fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SUSHI.

#### *Developer Dependence*

While there are many developers who contribute to the SushiSwap network and its associated networks there are no guarantees that they will continue to do so. SUSHI, SushiSwap’s native asset, could be negatively affected by an inability to retain and/or attract developers to maintain and build out an interconnected network of blockchains.

### **Due Diligence**

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