PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

SPX6900 ($SPX)

Last updated on November 15, 2024

Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading SPX. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the Risk Statement for additional discussion of general risks 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 that may be inaccurate, incomplete, or change at any time.

What is SPX6900 and how does it work?

SPX6900 ($SPX) is a meme token developed on the Ethereum blockchain as an ERC-20 token. It is inspired by internet culture and positions itself satirically as a rival to traditional financial indices like the S&P500, with a satirical premise of reaching a $69 trillion market cap. Similar to other memecoins like Floki Inu, Baby Doge, and Wojak, SPX6900 focuses on community engagement and entertainment. It has no practical applications or intrinsic value but represents internet culture and online communities.

Who is behind the Project?

SPX6900 is a decentralised and entirely community-driven project. There is no central organisation, formal team, or legal entity managing it. All activities, decisions, and developments are carried out by volunteers and community members working together to shape its direction.

General Risks

Like all other digital assets, there are some general risks to investing in SPX. 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 SPX6900

Competition

SPX6900 faces competition from other memecoins such as Doge, Shiba Inu, Dogwifhat, and many others. SPX's value derives from its broader adoption in the market. If SPX fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SPX.

Due Diligence

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

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 SPX 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.