

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

BOBA

Boba Network (BOBA)

Last updated on August 08, 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 BOBA 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 BOBA. 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 Boba Network (BOBA) and how does it work?

Boba Network is an optimistic rollup-based Layer 2 scaling solution originally built on Ethereum that has since integrated with additional Layer 1 chains such as Avalanche, Fantom, BNB Smart Chain and Moonbeam. The project introduces a feature called Hybrid Compute, enabling smart contracts to communicate with external Web2 APIs and off-chain systems, facilitating richer functionality beyond what typical blockchain environments support. Additionally, Boba offers dual-fee token mechanics, allowing transaction fees to be paid in BOBA tokens or the native token of the underlying Layer 1. However, paying in BOBA provides a discount (e.g., 25%) compared to using ETH or other native tokens. The network also supports fast exits, enabling users to bridge assets across chains in minutes via liquidity pools, instead of waiting through lengthy withdrawal periods.

The BOBA token is an ERC-20 asset that grants participation in the Boba DAO for governance, can be staked for earning rewards, and is used to pay transaction fees.

Who is behind the project?

Boba Network was founded by Alan Chiu, founder and CEO of Enya Labs, a software development organization dedicated to developing dApps and privacy technologies. The Boba network has also absorbed the team from OmiseGO (OMG) and OMG holders were airdropped a portion of the BOBA token supply.

Tokenomics of BOBA

Boba has a capped total supply of 500 million BOBA tokens. The total supply was allocated as follows:

Category	Percentage	Token Amount
Treasury	42%	210,000,000 BOBA
Airdrop	28%	140,000,000 BOBA
Team	20%	100,000,000 BOBA
Investors	10%	50,000,000 BOBA
Total	100%	500,000,000 BOBA

As of August 2025, the circulating supply is ~493 million BOBA.

General Risks

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

Competition

The Boba network faces competition from other layer two networks such as Arbitrum, Optimism, ZKSync, and many others. BOBA's value derives from its broader adoption in the market. If the Boba network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of BOBA.

Developer Dependence

While there are many developers who contribute to the Boba network there are no guarantees that they will continue to do so. BOBA, Boba network's native asset, could be negatively affected by an inability to retain and/or attract developers to maintain and build out its layer two hybrid computer.

Novel Technical Risk

A layer two hybrid computer is a novel and complex technology stack. Unforeseen bugs in any of the components of the Boba network could negatively impact the value of BOBA.

Due Diligence

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