

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Centrifuge (CFG)

Last updated on October 5, 2026

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 CFG 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 CFG. 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 Centrifuge and how does it work?

Centrifuge is a decentralized finance (DeFi) platform that enables the tokenization of real-world assets—such as loans, invoices, and royalties—through its Tinlake dApp, which allows asset originators to transform these assets into NFTs that serve as collateral for loans, granting investors yield opportunities. CFG is used within the protocol for paying transaction fees, staking, participating in governance, and securing network consensus via a nominated-Proof-of-Stake mechanism.

CFG launched on May 20, 2025. Post migration total supply is 680 million CFG, incorporating 115 million newly minted tokens distributed to support strategic initiatives. The 115 million CFG are allocated with 100 million linearly vested over four years and 15 million released immediately. Inflation remains at 3% annually, accrued to the Centrifuge DAO Treasury, with governance functions transitioning to Ethereum based smart contracts alongside Centrifuge V3.

Who is behind the project?

Centrifuge was co-founded by a German team led by Lucas Vogelsang, who previously founded the e-commerce platform DeinDeal and also co-founded Taulia, a FinTech company providing working capital solutions. Vogelsang played a key role in the initial vision of Centrifuge, which began with the ambition

to build Centrifuge OS—a decentralized, open network for financial supply chain applications—before evolving into a broader Real World Asset (RWA) DeFi platform. As of February 2025, Bhaji Illuminati serves as Chief Executive Officer, succeeding Vogelsang, who now holds a strategic position on the Centrifuge board. Other members of the leadership team include Martin Quensel as President, Anil Sood as Chief Strategy & Growth Officer, Jeroen Offerijns as Chief Technology Officer, and Eli Cohen as Chief Legal Officer. Centrifuge has raised \$15.8 million across four funding rounds. The latest round was led by Coinbase Ventures and closed on November 2, 2022, raising \$4 million. The project has formed notable partnerships with Aave and MakerDAO. Notably, Tinklake assets on Centrifuge can be used as collateral in MakerDAO smart contracts.

Tokenomics of Centrifuge

The initial coin distribution created 400 million CFG, which was allocated to the Centrifuge Network Foundation and initial contributors, including the core team, investors, and validators. Additional tokens have been minted to reward early adoption and support critical network functions. CFG tokens are issued to incentivize key activities such as bringing real world assets onto the platform, providing liquidity, and helping to secure the Centrifuge Chain. A portion of transaction fees is burned at a rate determined by on chain governance to promote long term token stability. As of August 2025, the total CFG supply is 680 million following the ERC20 token migration that began on May 20, 2025 and closed on November 30, 2025. This includes 115 million newly minted tokens, of which 100 million are vested linearly over four years and 15 million were released immediately. The token supply grows at an annual inflation rate of 3%, with new issuance accruing to the Centrifuge DAO Treasury.

General Risks

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

Developer Dependence

Although there are many developers working on the Centrifuge protocol, there are no guarantees that they will continue to contribute. CFG could be negatively affected by an inability to retain and/or attract developers to continue to maintain and build out the network infrastructure as well as attract developers to build applications that utilize the Centrifuge protocol infrastructure.

Regulatory Scrutiny

A regulatory crackdown on decentralized finance (DeFi) could have a negative impact on DeFi and the value of CFG.

Due Diligence

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