

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

CSPR

Last updated on June 09, 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 CSPR 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 CSPR. 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 Casper and how does it work?

Casper is a public, proof-of-stake (PoS) smart-contract platform launched on mainnet in March 2021. It uses WebAssembly (Wasm) for contract execution, so developers can write code in familiar languages such as Rust, JavaScript and Go. Key design goals include upgradeable smart contracts, predictable gas fees and on-chain permissioning features that can meet enterprise compliance needs.

Casper recently introduced “Zug,” a deterministic-finality consensus protocol that settles transactions almost instantly once they enter a block. The network roadmap supports multiple virtual machines, allowing, for instance, both an Ethereum-style EVM and Wasm contracts to run side-by-side on the same chain. Typical use cases include asset tokenization, royalty and IP management, supply-chain records and other business workflows that benefit from transparent yet adaptable on-chain data.

The native token, CSPR, plays two core roles:

- Gas – every on-chain transfer or contract call requires CSPR fees.

- Staking and Delegation – validators stake CSPR to produce blocks; holders who do not run nodes can delegate tokens to validators and share in rewards.
- Governance – CSPR weight may influence protocol-level decisions and upgrades (currently coordinated by the Casper Association).

Who is behind the project?

Casper was created by CasperLabs, founded in 2018 by Mrinal Manohar (CEO) and Medha Parlikar (CTO). CasperLabs wrote the original codebase and raised early funding through venture investors and accredited-investor token-rights agreements. Today, overall stewardship rests with the non-profit Casper Association in Zug, Switzerland. The Association coordinates upgrades, validator standards and ecosystem grants, while the open-source repo accepts contributions from independent developers.

Tokenomics of CSPR

Metric (June 2025)	Value
Genesis supply (Mar 2021)	10 billion CSPR
Current total supply	~13.6 billion CSPR
Circulating supply	~13.15 billion CSPR
Annual inflation	~8 % (inflation funds staking rewards)

Token breakdown

Initial allocation (genesis)
Private & public sale investors – 45.7 %
CasperLabs team & advisors – 24 % (multi-year vesting)
Casper Association – 14.3 %
Protocol incentives & ecosystem funds – 16 %

General Risks

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

Competition: The Casper network faces competition from other cryptocurrencies such as Ethereum, Solana and many others. Casper's value derives from its broader adoption in the market. If the Casper network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of CSPR.

Due Diligence

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