PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Bitcoin Cash (BCH)

Last updated on September 9, 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 BCH 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 BCH. 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 Bitcoin Cash and how does it work?

Bitcoin Cash is a cryptocurrency that originated as a hard fork of Bitcoin on August 1, 2017, when stakeholders advocating for increased block capacity diverged from the original protocol. The split enabled Bitcoin Cash to support larger block sizes, allowing for faster transaction processing and lower fees, with a starting block size of 8 MB later expanded to 32 MB. BCH uses a Proof-of-Work consensus mechanism, halving block rewards approximately every 210,000 blocks, and will approach a maximum supply of 21 million BCH.

Operations mirror Bitcoin in mining, broadcasting, and transaction confirmation. However, BCH emphasizes efficiency through larger block capacity and a modified difficulty adjustment algorithm (DAA) that recalibrates difficulty each block for consistent ~10-minute block times.

Who is behind the project?

The launch of Bitcoin Cash can be traced back to a group of businesses and developers who, growing tired with in-fighting over a network rule, decided to author and publish code that altered it. Called Bitcoin ABC, the software that would create Bitcoin Cash was first revealed in June 2017. It then underwent testing before it was finally released on August 1, 2017. But developers weren't the only ones involved in creating the fork. As the split required users to create a new blockchain from an old blockchain, mining businesses needed to devote substantial computing power to creating the first block on the new Bitcoin Cash blockchain.

Tokenomics of Bitcoin Cash

Bitcoin Cash (BCH) shares the same blockchain history and inflation schedule as Bitcoin (BTC) up until August 1, 2017, when it forked from the Bitcoin network. Like BTC, BCH has a fixed maximum supply of 21 million coins. The number of BCH released in each block is cut in half approximately every four years (or every 210,000 blocks). At the time of the fork, all existing Bitcoin holders received BCH at a 1:1 ratio. There was no premine, public token sale, or allocation to developers or foundations. This makes BCH one of the few major crypto assets with a fully airdropped genesis distribution. Percentages refer to the distribution at launch on August 1, 2017. As of September 2026, the circulating supply of BCH is approximately 20.09 million according to CoinMarketCap.

General Risks

Like all other digital assets, there are some general risks to investing in BCH. 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 Bitcoin Cash

Competition

The Bitcoin Cash network faces competition from other crypto-assets such as Bitcoin, Ethereum, Litecoin, Monero, and others. BCH’s value derives from its broader adoption in the market. If the Bitcoin Cash network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of BCH.

Due Diligence

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