

# PAYWARD CANADA INC.

## CRYPTO ASSET STATEMENT

### QCADH

Last updated on January 16, 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 QCADH 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 QCADH. 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 QCAD and how does it work?

QCAD is a digital asset issued by Canada Stablecorp Inc. and is focused on providing a Canadian dollar-denominated stablecoin for use on blockchain networks. QCAD is intended to support digital payments, settlement, and transfers, with an emphasis on operating within a regulated framework in Canada.

QCAD is a fiat-backed stablecoin intended to maintain a one-to-one value with the Canadian dollar (CAD). Each QCAD token is fully backed on a 1:1 basis by Canadian dollar reserve assets held with regulated Canadian financial institutions. QCAD may be minted or redeemed at a 1:1 ratio, subject to applicable terms and conditions. The token is intended for transactional use, including payments, trading, and settlement on supported blockchain networks.

#### Who is behind the project?

QCAD is issued by Canada Stablecorp Inc. Canada Stablecorp Inc. was founded by Alex McDougall and Fred Pye.

## **Tokenomics of QCAD**

QCAD is a stablecoin that reflects the value of the Canadian dollar through full reserve backing. The circulating supply is designed to correspond directly to the total value of Canadian dollar reserve assets held to support the token. The token does not support staking or governance features and is issued strictly for value stability and transactional use. The maximum supply of QCAD is not capped and expands or contracts based on minting and burning activity, which is controlled by Canada Stablecorp Inc.

## **General Risks**

Like all other digital assets, there are some general risks to investing in QCADH. 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 QCAD**

### *Depegging Risk*

At any given point in time, the price of QCAD may not be aligned to the value of the Canadian dollar. This risk arises because the price of QCAD is determined by supply and demand in the secondary market, rather than the actual value of the Canadian dollar. If demand for QCAD exceeds the available supply, the price of QCAD may increase, leading to a higher price relative to the Canadian dollar. Conversely, if there is a surplus of QCAD tokens and insufficient demand, the price may decrease, causing QCAD to be worth less than the Canadian dollar.

### *Risk of Asset Freezing*

Canada Stablecorp Inc. retains the ability to freeze QCAD associated with specific wallet addresses under certain conditions. This includes compliance with applicable laws or legal orders. Affected users may be unable to transfer or redeem QCAD in such cases.

### *Redemption Risk*

The value of QCAD is backed by a reserve of Canadian dollar and secure, low-risk assets held by its custodian. However, there is a risk that Canada Stablecorp Inc. may be unable to meet redemption demands in a timely manner at some point in the future. If the issuer is unable to meet redemption requests due to insufficient reserves, it could lead to a loss of confidence in the asset, negatively impacting its value.

## **Due Diligence**

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