PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT
LIGHTER

Last updated on March 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 LIGHTER 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 LIGHTER. 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 Lighter and how does it work?

Lighter is a decentralized trading platform focused on running an order-book exchange (including perpetual futures) with self-custody, where the team says order matching and liquidations are "verifiable" and ultimately settled/verified on Ethereum.

From the project's technical description, Lighter is structured like an application-specific Layer 2: a sequencer processes transactions and produces state updates, a prover generates succinct cryptographic proofs of correct execution (including price–time priority matching and liquidation logic), and Ethereum smart contracts hold deposited assets and verify proofs before updating the canonical state root. The whitepaper also describes a "priority transaction" path designed for censorship-resistant exits (and an "Escape Hatch" mode if priority transactions are not processed in time).

LIGHTER is described by the team as the "native infrastructure token" used for "access, incentives, and alignment" across the ecosystem. The docs describe staking for program access and protocol-directed buybacks using trading fee revenue.

Who is behind Lighter
Lighter was founded by Vladimir Novakovski, who also serves as CEO.

Tokenomics of LIGHTER

Category	Amount	Vesting Details
Ecosystem and Community	50%	25% unlocked at TGE on December 20th, 2025, the remaining 25% held in multisig for future distributions.
Core Contributors and Investors	50%	12-month lockup post-TGE, then linear vesting over 36 months.
Total	**100%**	

General Risks
Like all other digital assets, there are some general risks to investing in LIGHTER. 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 LIGHTER
Competition
Lighter faces competition from other RWA tokenization projects such as Mantra and Centrifuge. LIGHTER's value derives from the project's broader adoption in the market. If Lighter fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of LIGHTER.

Due Diligence
Prior to listing on the Kraken platform, Kraken performed due diligence on LIGHTER and determined that LIGHTER 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 LIGHTER, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created LIGHTER;
- The supply, demand, maturity, utility and liquidity of LIGHTER;

- Material technical risks associated with LIGHTER, including any code defects, security breaches and other threats concerning LIGHTER 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 LIGHTER, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of LIGHTER, 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 LIGHTER about whether LIGHTER, or generally about whether the type of crypto asset, is a security and/or derivative.