

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Civic (CVC)

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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 CVC 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 CVC. 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 Civic and how does it work?

Civic is a blockchain-based identity and access management project. As of July 2025, Civic's current flagship product is Civic Auth, a developer toolkit that enables applications to offer sign-in, embedded wallet creation, and user management using standards such as OIDC and OAuth. This toolkit is designed to help decentralized applications (dApps), games, and Web3 platforms integrate authentication and wallet features into their services while allowing users to control their own credentials.

Civic previously offered Civic Pass, an identity verification product that enabled dApps to check user attributes such as liveness, location, or sanctions screening through a system called the Gatekeeper Network. Civic Pass was officially sunset in July 2025, with no direct replacement; existing Passes remain valid only until their individual expiration dates.

The network's native token, CVC, has historically been used within Civic's ecosystem to reward validators for attesting to identity attributes and to facilitate transactions between participants in its identity

marketplace. While Civic Auth does not currently rely on CVC for sign-in or wallet creation, the token continues to function as the utility asset of the Civic ecosystem.

Who is behind the Project?

Civic was co-founded by Vinny Lingham and Jonathan Smith in 2015. Today, Chris Hart serves as Chief Executive Officer, Daniel Kelleher serves as Chief Technology Officer, and Vinny Lingham continues to serve as Co-Founder and Chairman of the Board. The company behind the project is Civic Technologies, Inc., a U.S.-based firm focused on digital identity solutions.

Tokenomics of CVC

There is a fixed supply of 1 billion CVC tokens. At genesis, the allocation of the CVC supply was as follows:

Category	Allocation
Private sale, early investors	22%
Public sale	11%
Civic Technologies, Inc, vesting over 3 years (fully vested in 2020)	33%
Fund controlled by Civic	33%
Costs of the 2017 token sale	1%
Total	100%

As of September 2025, the circulating supply of CVC is approximately 802 million.

General Risks

Like all other digital assets, there are some general risks to investing in CVC. 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 Civic

Competition

The Civic protocol faces competition from other blockchain-based identity projects such as Ontology, Metadium, SelfKey, and many others. CVC's value derives from its broader adoption in the market. If the Civic protocol fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of CVC.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on CVC and determined that

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