



Canton
STRATEGIC HOLDINGS

+ CANTON NETWORK

Q1 2026 Ecosystem Report



Table of Contents

<u>Executive Summary</u>	02
Q1 Highlights	02

<u>The State of the Canton Network</u>	03
Core Activity	03
Real World Utility	03
Securing the Network	04
Building on the Network	05

<u>Governance & Environment</u>	07
CIP Updates	07
Canton Foundation	07
Market & Regulatory Considerations	08

<u>Canton Strategic Holdings' Outlook for Q2</u>	09
About the Authors	09

<u>Disclaimer</u>	10
-------------------	----



Executive Summary

The first quarter of 2026 was marked by increasing adoption of the Canton Network by a diverse array of institutions, as well as ecosystem development that enabled improved interoperability and real-world activity onchain. As an investor and active participant in the Canton ecosystem, Canton Strategic Holdings provides both capital and insights to further the integration of the Canton Network into modern financial systems. The following report outlines the most significant milestones for the Canton Network from this vantage point.

Q1 Highlights

- **Institutional Commitment:** The Canton Network announced significant partnerships with financial institutions, payments networks, strategic investors, and infrastructure providers. These partnerships contribute not just to volume and participation on the network, but also governance, validating the network as a trusted technology for onchain finance. In particular, Super Validators demonstrate growing conviction from players whose participation carries reputational and operational weight. In the first quarter, six new Super Validators were approved through the CIP Process, committing to specific contributions they will make to the Network, while previously-approved Super Validators met major milestones as they delivered on stated objectives to strengthen the network.
- **Live Activity & Global Transactions:** Q1 saw meaningful onchain transaction growth that continues to prove Canton's utility and develop its onchain economy with both institutional and defi native activity. Milestone transactions across multiple currencies and asset classes, such as European Government Bonds, U.S. Treasuries, Euro cash, GBP cash, Gilts, and U.S. Dollar cash, demonstrate the efficiencies of tokenization and global collateral mobility on chain. The network's utility token, Canton Coin (\$CC), became more broadly accessible with listings on OKX, Robinhood, and Crypto.com.
- **Interoperability & Settlement Infrastructure:** Necessary infrastructure linking Canton to DeFi and Tradfi came online in Q1. Tokenized deposits, stablecoin integrations, cross-chain bridges, custody, and regulated settlement rails play an essential role in driving further institutional adoption.
- **Protocol & Ecosystem Development:** The network underwent significant maturation in Q1. The halving in January reduced max issuance per minting round by 50% and cut Super Validator rewards from 48% to 20%, while app rewards rose to 62% of total. Additionally, the creation of the Protocol Development Fund through approval of **CIP 100** further emphasizes the importance of app builders to the Canton Network.



The State of the Canton Network

Core Activity

	TOTAL TRANSACTIONS	AVERAGE DAILY TRANSACTIONS
Q1 2026	81.2M 32% increase	902K 35% increase
Q4 2025	61.4M	668K

As of Q1, the Canton Network has \$9Tⁱ in monthly transaction volume, 10.44 average transactions per second (a 35% increase from last quarter), and 98.86% average uptime across validators.ⁱⁱⁱ

Source: TheTie.io

Real World Utility

Q1 MILESTONES

The Canton Network Industry Working Group conducted two significant sets of transactions demonstrating the network's utility for repo and other tokenized assets. In January, intraday repo transactions were conducted cross-border in multiple currencies and asset classes for the first time, including European Government Bonds, U.S. Treasuries, Euro cash, and U.S. Dollar cash. Shortly after, the Working Group executed its fourth set of onchain repo transactions by completing the first intraday cross-border repo using gilts. This marked a major step in the expansion of institutional global collateral mobility.

Expanding beyond repo, Cantor8 and Toku executed the first real-world payroll on the Canton Network, marking the first time a global enterprise was able to pay its workforce, leveraging configurable privacy on the blockchain.



A common thread running through the first quarter of activity is the remarkably global scale of tokenization happening on the Canton Network. These transactions demonstrate the value institutions with operations across jurisdictions can drive by bringing transactions onchain. Beyond driving speed and reducing the need to overfund accounts to anticipate settlement delays, tokenization on the network offers a compliant, regulatory-friendly approach to settling real world assets onchain.

– Mark Wendland, Chairman and CEO, Canton Strategic Holdings



TOKENIZED DEPOSITS

Among the most significant developments in Q1 were tokenization efforts by some of the world's largest financial institutions. In January alone, JP Morgan, Lloyds Banking Group, BNY, and LSEG announced Canton Network-affiliated tokenization initiatives.

- After its initial deployment on a private chain, JPM Coin announced plans for integration with the Canton Network, enabling 24/7 near-instant onchain settlement of tokenized RWAs and cross-border transactions.

ⁱIncluding private subnets compatible with the global synchronizer



TOKENIZED DEPOSITS (cont.)

- For the first time in the U.K., Lloyds and Archax conducted a public blockchain transaction using tokenized GBP deposits, with Lloyds purchasing a Tokenized Gilt from Archax.
- BNY announced steps toward a tokenized deposit offering, which will enable institutional client deposit balances to be mirrored on its digital assets platform and marking a significant milestone for improved settlement efficiency and liquidity management.
- LSEG launched Digital Settlement House (LSEG DiSH) following a successful transfer of commercial bank deposits on the Canton Network. The launch enables instant settlement between independent payment networks.

Securing the Network

SUPER VALIDATORS AND VALIDATORS

Six new Super Validators were approved in Q1^{iv}, joining the many validators and Super Validators on the network that span across traditional and crypto-native institutions, all committed to bringing the future of finance on chain.

In total, 55 companies have been approved as Super Validators for the Canton Network. Each Super Validator gains approval through the CIP process that requires companies to commit to specific deliverables in order to unlock total reward weight.

The first quarter was filled with announcements of newly approved Super Validators who will start contributing to the network, as well as existing Super Validators achieving their milestones. A key trend across this cohort was tokenization and streamlining ways these assets are used onchain to drive real network activity.

NOTEWORTHY

In March, Moody's became the first credit rating agency to operate a node on the Canton Network.

SUPER VALIDATORS APPROVED IN Q1

Apollo, Canton Strategic Holdings,
Mesh, Nasdaq, QCP, Visa

MAKING NEWS IN Q1*

AngelHack, BitGo, Chainlink,
Chainsafe, Circle, Fireblocks,
Hypernative, Kaiko, LayerZero,
Republic, Talos, Taurus, Ubyx,
Zenith, Zerohash

*Super Validators meeting milestones and/or contributing meaningful value to the network



Super Validators play a critical role on the Canton Network, contributing to governance, stability, and security. The thoughtful growth of the validators on the network is a strong signal to the marketplace that Canton offers the kind of institutional-grade platform that global finance can trust.

– Melvis Langyintuo, Executive Director, Canton Foundation





Building on the Network

The utility of the Canton Network relies not only on its architecture, but also the ability of participants to build and develop. In Q1, both crypto-native and tradfi players contributed to this important infrastructure. Another theme of Q1 2026 was activity globally; the U.K. in particular saw significant announcements from LSEG/Clear Token and Stobox moving into the pipeline bringing \$500M in tokenized assets and a global client base onto Canton.

APP ACTIVITY

The first quarter of 2026 saw strong alignment between incentives and builders. With 47 new Featured Apps in Q1^y, the Canton Network ecosystem continues to expand across critical verticals, with meaningful progress in wallet infrastructure, decentralized exchange integration, lending markets, and private markets.

TOP APPS BY TRAFFIC BURN IN THE FIRST QUARTER		
TEMPLE DIGITAL GROUP	CANTEX	HELLOMOON
244,216,752 \$CC	66,803,919 \$CC	26,717,603 \$CC

Wallet infrastructure for retail users improved in Q1. Send Safe launched with fully onchain, non-custodial multi-signature wallets, joining a growing roster of wallet providers on the network that includes Canton Loop, Bron Wallet, Republic, Console Wallet, Zoro Wallet, and Cypherock. This expanding suite of wallet and custody solutions reinforces the network's commitment to giving institutions and users secure, flexible access to onchain assets.

In decentralized exchange integration, Temple Trading launched a compliance-focused, privacy-preserving order book for digital asset trading, which now ranks in the top 25 among Canton Network apps for total rewards. Tradecraft brought an AMM-based, Canton-native DEX to the network, while Unhedged launched prediction markets on Canton Network, enabling onchain trading of real-world assets. Together, these developments demonstrate that Canton is attracting trading infrastructure purpose-built for the intersection of compliance and capital efficiency.

In lending markets, ACME Markets introduced ACME Lend, offering 24/7 liquidity and financing on the Canton Network for institutional credit markets. This speaks directly to the balance-sheet efficiency gains that institutional participants are seeking.

Kora Protocol became a Featured App on the Canton Network, bringing private trading infrastructure for spot, perpetuals, and RWA markets to the ecosystem. Hecto also joined the network, extending Canton's reach into onchain private markets.

Notable developments in institutional settlement and custody also emerged in Q1, driven by some of the largest and most respected names in finance and crypto. On the stablecoin front, Circle's USDCx on Canton, powered by Circle xReserve, now enables private and composable USDC-backed settlement. ClearToken also deployed on Canton, bringing FCA-authorized tokenization alongside PvP payments and DvP settlement across fiat, stablecoins, and crypto.

**BUILDING ON THE NETWORK (cont.)**

LSEG announced the launch of its Digital Settlement House on Canton, enabling real-time, 24/7 settlement; Fireblocks expanded its capabilities to allow financial institutions to custody and settle assets directly on Canton; and BitGo extended its Canton Network infrastructure to support the CIP-56 token standard, enabling qualified custody for USDCx and cBTC, in addition to announcing support of Canton Coin on the Go Network.

Tokenization infrastructure was further strengthened through expansions of data and oracle capabilities, enabling more efficient workflows between traditional finance and decentralized finance. Chainlink deepened its relationship with Canton by integrating its data streams, NAV/AUM feeds, Proof of Reserve, real-time pricing, and cross-chain transfers for real-world assets on the network, while Kaiko and Bloomberg announced a joint initiative to deliver Bloomberg Data License offerings onchain via Kaiko's infrastructure, with tokenized U.S. Treasuries and repo workflows on Canton as the initial targets. These integrations are critical to bridging the data gap between legacy systems and onchain markets.

Cross-chain connectivity also grew stronger in Q1, with developments that set the stage for increasing utility and interoperability across chains. In March, Zenith launched a native EVM execution layer for Canton, enabling Solidity and Rust developers to build on institutional-grade rails for the first time without bridges, rewrites, or compromising Canton's privacy and compliance architecture. Additionally, Chainsafe helps Ethereum meet Canton via through their ERC-20/CIP 56 middleware allowing for deployment to Canton using existing EVM workflows, MetaMask signatures, and infrastructure. LayerZero became the first interoperability protocol live on Canton, enabling connectivity across more than 165 public blockchains while maintaining Canton's unique institutional-grade privacy layer.



These milestones highlight Canton's role as the network where interoperability and institutional trust coexist by design. The caliber of institutions now building core infrastructure on the network is simply unmatched, and we expect to see this momentum continue through 2026.

– Mark Toomey, President, Canton Strategic Holdings





Governance & Environment

CIP Updates

Canton Improvement Proposals (“CIPs”) form the governance framework for the Canton Network, offering participants the opportunity to propose network updates. The first quarter of 2026 was an active quarter for CIPs, with significant developments that focused on the rewards structure and locking requirements to align incentives between developers, Super Validators, and users of the network.

- **CIP 100:** Created the Protocol Development Fund which allocates 5% of network rewards to ecosystem development.
- **CIP 103:** Standardized how applications connect to wallets, submit transactions, and listen for ledger events.
- **CIP 104:** Updated app rewards to align with real network traffic.
- **CIP 105:** Established a Super Validator locking and long-term commitment framework. Super Validators may voluntarily lock a portion of lifetime earned \$CC rewards. The larger the amount locked, the greater their future Super Validator rewards weight will be.

With CIP-105 set to be implemented in April 2026, dashboards are being built by network participants to track the locking of \$CC and any impact to Super Validator rewards and featured apps. Importantly, this CIP directly aligns incentives and encourages a long-term ecosystem commitment among key participants and builders.

Canton Foundation

As the independent body facilitating governance to the Canton Network, the Canton Foundation plays a critical role in ensuring network health and growing participation. In Q1, the Foundation saw continued membership growth, with its Board expanding to 18 members.

This quarter, following approval from its members, the Foundation launched the Canton Network’s first Protocol Development Fund. This new program establishes a mechanism to support research and development that increases network utility and value. Super Validators voted together to programmatically reallocate 5% of future \$CC supply to establish this fund.



One of the most unique elements of Canton is its governance structure. Led by the Canton Foundation, the independent governance body responsible for overseeing the operation standards and infrastructure of the Canton Network, responsible stewardship of the network happens through CIPs and Super Validator governance activities. This thoughtful governance structure directly contributes to both the progress and innovation happening within the ecosystem as well as the governance and due diligence required to maintain institutional trust.

– Chris Zuehlke, Partner, DRW and Global Co-Head of Cumberland

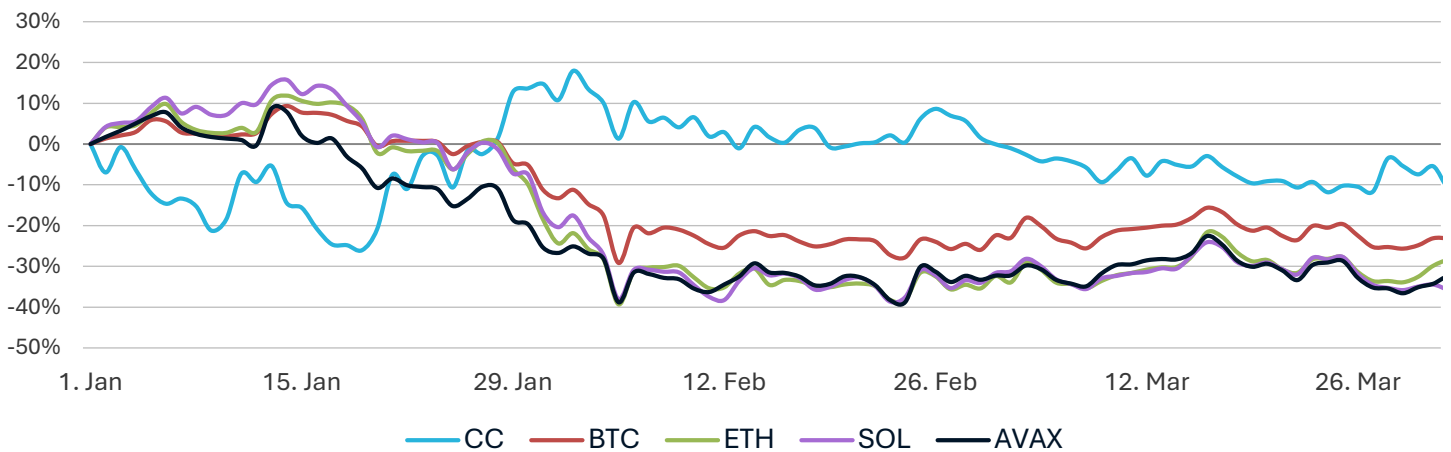




Market & Regulatory Considerations

Crypto markets faced price pressure in the first quarter of the year, while tailwinds from regulatory actions persisted.

CoinGecko Relative Performance



Source: CoinGecko

NOTABLE REGULATORY PROGRESS

- In February, the SEC's Division of Trading and Markets issued an FAQ clarifying that the SEC would not object to a broker-dealer applying a 2% haircut on proprietary positions in a payment stablecoin. This is a meaningful clarification that will enable institutions to continue innovating with tokenized assets.
- In March, the SEC issued its *Order Regarding the Collateral Broker-Dealers May Pledge When Borrowing Customer Securities*, allowing for broker-dealers to pledge equities in order to borrow securities. While not directly relevant to digital assets, regulatory frameworks such as this can pave the way for more netting opportunities with tokenization in the future.
- The CFTC and SEC signed a Memorandum of Understanding (MOU) to coordinate and harmonize digital asset regulation while reducing duplicative oversight and fostering innovation. This was followed by interpretive guidance placing digital assets into five categories: digital commodities, digital collectibles, digital tools, stablecoins, and digital securities.



While all eyes were focused on the CLARITY Act discussions in Congress, this quarter saw meaningful regulatory advancements that flew largely under the radar. In my view, the most important regulatory updates for the Canton Network and onchain institutional were two moves by the SEC: first, the 2% haircut for payment stablecoins, which reduces the balance sheet complexity for broker-dealers tokenizing assets; and second, the SEC order noting a broader set of eligible collateral for borrowing of securities, which sets the stage for more netting opportunities with tokenization in the future.

– Mark Wendland, Chairman and CEO, Canton Strategic Holdings





Canton Strategic Holdings' Outlook for Q2

In the quarter ahead, several initiatives will be closely watched by ecosystem participants.

First, CIP 105 will be fully implemented in April 2026, ensuring long-term economic alignment across Super Validators, with potential consequences for \$CC value and overall ecosystem participation.

Additionally, we expect to see results of the early pilots at DTCC to tokenize U.S. Treasuries later this year. As the largest clearing and settlement company with more than \$30 trillion in U.S. Treasury assets currently custodied with DTCC, this pilot will have far-reaching impact when it comes to empowering regulated institutions to transact with privacy onchain.

Finally, we anticipate the featured app landscape to continue to expand, particularly given the incentives and economics that drove momentum in Q1. We believe additional lending and options markets will emerge as developers continue to build a robust ecosystem on the Canton Network.

The use case for global collateral mobility has been tested and proven on the Canton Network. With DTCC on board and regulatory tailwinds, we look forward to seeing greater institutional adoption from those best positioned to make this financial transformation a reality.

About the Authors

Canton Strategic Holdings, Inc. (NASDAQ: CNTN) is the first publicly traded company to leverage Canton Coin and support the Canton Network to advance institutional blockchain adoption and the digitization of financial markets. Canton Strategic Holdings executes a differentiated digital asset strategy that seeks to create long-term shareholder value through initiatives including \$CC acquisition, operation of a Super Validator, and continued investment in applications that support network utilization and expand institutional adoption of the Canton Network. The Company established this strategy through a \$545 million private placement in November 2025. As a Super Validator on the Canton Network, Canton Strategic Holdings helps secure the more than one million daily transactions on the network, while also actively participating in governance through membership on the Canton Foundation Board of Directors.

- i. Digital Asset
- ii. TheTie.io
- iii. CCTools
- iv. Canton Foundation
- v. Lighthouse Cantonloop

For more information, visit: cantonstrategic.com →



Disclaimer

This document, and the information contained herein, has been provided to you by Canton Strategic Holdings, Inc. and its affiliates ("Canton Strategic Holdings") solely for informational purposes. This document may not be reproduced or redistributed in whole or in part, in any format, without the express written approval of Canton Strategic Holdings. Neither the information, nor any opinion contained in this document, constitutes an offer to buy or sell, or a solicitation of an offer to buy or sell, any advisory services, securities, futures, options, digital assets, or other financial instruments or to participate in any advisory services or trading strategy. Nothing contained in this document constitutes investment, legal, or tax advice or is an endorsement of any of the digital assets, tokens, or protocols mentioned herein, including Canton Coin (\$CC). You should make your own investigations and evaluations of the information herein. Any decisions based on information contained in this document are the sole responsibility of the reader. Readers should consult with their own advisors and rely on their independent judgment when making financial or investment decisions.

Canton Strategic Holdings, along with its affiliates, directors, officers, and employees, may hold financial interests in certain assets referenced in this content, including Canton Coin (\$CC) and validator positions on the Canton Network. Canton Strategic Holdings operates as a Super Validator on the Canton Network and regularly engages in network participation activities for its own account. Canton Strategic Holdings also provides services to, and invests in, projects and protocols within the Canton Network ecosystem. If the value of such assets increases, Canton Strategic Holdings and its affiliates may benefit accordingly. The information and analysis in this communication are based on technical, fundamental, and market considerations and do not represent a formal valuation. For more information, please refer to Canton Strategic Holdings' public filings and statements.

Certain asset classes discussed in this document, including digital assets such as Canton Coin (\$CC), may be highly volatile and involve a substantial degree of risk, including the risk of total loss. The digital asset markets are subject to evolving regulatory frameworks. Actual market outcomes may differ materially from perspectives expressed herein.

Certain statements in this document reflect Canton Strategic Holdings' views, estimates, opinions, or predictions, which may be based on proprietary models and assumptions, including Canton Strategic Holdings' views on the current and future market for certain digital assets and the Canton Network ecosystem. There is no guarantee that these views, estimates, opinions, or predictions are currently accurate or that they will be ultimately realized. To the extent these assumptions or models are not correct or circumstances change, the actual performance may vary substantially from, and be less than, the estimates included herein. None of Canton Strategic Holdings nor any of its affiliates, shareholders, partners, members, directors, officers, management, employees, or representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of any of the information or any other information (whether communicated in written or oral form) transmitted or made available to you. Each of the aforementioned parties expressly disclaims any and all liability relating to or resulting from the use of this information.

Certain information contained herein, including network performance metrics, transaction volumes, and ecosystem data, has been obtained from published and non-published sources, including data generated by the Canton Network and third-party validators. Such information has not been independently verified by Canton Strategic Holdings, and Canton Strategic Holdings does not assume responsibility for the accuracy of such information. Canton Strategic Holdings may have owned, hedged and sold, or may own, hedge, and sell, investments in some of the digital assets, protocols, or other financial instruments discussed in this document. The economic interests of Canton Strategic Holdings and its affiliates in the Canton Network ecosystem may create conflicts of interest with respect to the information presented herein.

Except where otherwise indicated, the information in this document is based on matters as they exist as of the date of preparation and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof. This document provides links to other websites that we think might be of interest to you. Please note that when you click on one of these links, you may be moving to a provider's website that is not associated with Canton Strategic Holdings. These linked sites and their providers are not controlled by us, and we are not responsible for the contents or the proper operation of any linked site. The inclusion of any link does not imply our endorsement or our adoption of the statements therein. We encourage you to read the terms of use and privacy statements of these linked sites as their policies may differ from ours.

This document does not constitute a "research report" as defined by FINRA Rule 2241 or a "debt research report" as defined by FINRA Rule 2242. For all inquiries, please email ir@cantonstrategic.com.

For additional risks related to Canton Strategic Holdings, its business, and digital assets, please refer to the risk factors contained in filings Canton Strategic Holdings, Inc. makes with the SEC from time to time, including in its Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, available at www.sec.gov.