Crypta Investor Update Q1 2026

HIGHLIGHTS:

- **Adoption of a non-custodial hybrid on-chain / off-chain architecture and a provably fair infrastructure using Merkle Trees**
- **Development timeline on track for a June 2026 completion followed by User Acceptance Testing (UAT) and smart contract audits**
- **Cash and cash equivalents of ~US$193,000 as of 31 March 2026**

Crypta Holdings Inc. ("**Crypta**" or the "**Company**") provides the following investor update for Q1 2026. During the quarter, several infrastructure enhancements were adopted for the platform to improve the security, transparency and user control.

Non-Custodial Hybrid Architecture

A non-custodial hybrid architecture has been adopted using Solana smart contracts. This means the on-chain infrastructure handles user accounts, funds and settlement while the off-chain engine handles trades and bets for efficient high-speed execution. When users connect their wallet and deposit they will be depositing to a user-specific on-chain vault, where withdrawals only require the user's signature. This is similar to how Polymarket uses Gnosis Safes, where the user is the sole signer, but built on Solana rather than Polygon. When a user opens trades or places bets on the platform they grant permission to the backend engine to be able to settle their profit and loss on-chain via the smart contract.

This provides the following key benefits:

- Permissionless and frictionless global access for all users
- Non-custodial (Crypta never has to hold user funds)
- Users can withdraw from their vaults without having to ask for permission
- Full on-chain transparency for users and proof of bankroll reserves
- Open bankroll liquidity pool (Anyone can be the house)
- Off-chain trading and gaming engines for efficient and high-speed execution

Adoption of Merkle Trees

The provably fair infrastructure has been upgraded to use Merkle Tree commitments instead of each synthetic asset having its own hash chain. In this design, the Merkle root is committed ahead of each epoch, and verification proofs are published so users can verify outcomes against the pre-committed root.

This provides the following key benefits:

- **Cleaner structure:** One (1) master seed (updated every hour) can generate multiple branches, one for each synthetic asset listed on the platform, while each asset specific hash can be indexed to generate random entropy
- **Stronger security:** Contains exposure to a bounded time period instead of compromising a whole synthetic asset's chain
- **Easier verification:** Users don't have to recompute an ever-growing long chain each time to verify results

The development timeline is targeting a June 2026 completion followed by User Acceptance Testing (UAT) and a smart contract audit.

Authorised on behalf of the Company.

Trinity Cooper
Managing Director
Crypta Holdings Inc.

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