PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Algorand (ALGO)

Last updated on September 8, 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 ALGO 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 ALGO. 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 Algorand and how does it work?

Algorand is a public, open-source Layer-1 blockchain that launched its mainnet in June 2019 with the aim of combining decentralization, high throughput, and low finality latency. The network employs a Pure Proof-of-Stake ("PPoS") consensus protocol that randomly selects block proposers and voting committees through a Verifiable Random Function ("VRF"). Any account that has generated a participation key and stakes at least 0.1 ALGO can be selected, the probability of selection is proportional to the holder's stake, helping to keep the validator set broad and permissionless.

ALGO, the network's native currency, is used to pay transaction fees, participate in governance and secure the chain via staking. Following the discontinuation of universal "participation rewards" in April 2022, holders earn incentives by locking ALGO in on-chain governance periods and voting on protocol proposals, rather than by simply holding the token passively.

Who is behind the project?

Algorand was created by the Turing Award–winning MIT professor Silvio Micali, who co-authored the Algorand white paper with Jing Chen in 2017. Development is led by Algorand Inc. and supported by the

Singapore-based non-profit Algorand Foundation, which funds ecosystem growth and maintains the governance program.

Tokenomics of Algorand
Maximum supply is hard-capped at 10 billion ALGO, with approximately 8.7 billion ALGO circulating as of August 7 2025. The Foundation has indicated that the entire supply was minted at genesis and is being released on a schedule expected to complete by 2030.

General Risks
Like all other digital assets, there are some general risks to investing in ALGO. 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 Algorand

Competition
The Algorand network fails to achieve faces competition from other cryptocurrencies such as Ethereum, Solana, Polkadot, among many, and others. ALGO's value derives from its broader adoption in the market. If the Algorand network fails to achieve fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of ALGO.

Developer Dependence
While there are many developers who contribute to Algorand, there are no guarantees that they will continue to do so. ALGO, Algorand's native asset, could be negatively affected by an inability to retain and/or attract developers to keep up with market needs and improve its decentralized-finance tooling when necessary.

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