PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Arweave (AR)

Last updated on October 19, 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 AR 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 AR. 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 AR and how does it work?

Arweave is a decentralized data-storage network designed to keep information available on a public layer called the “Permaweb.” The protocol uses a “blockweave,” where each new block references both the most recent block and a randomly selected earlier “recall” block. To produce blocks, miners must demonstrate access to randomly chosen historical data, which ties participation to storing and serving content and helps maintain data availability. Users typically upload and access content through web gateways, so Permaweb items can be opened in a browser like ordinary links.

AR is the native token of the Arweave network. It is used to pay the transaction fees that store data permanently on the network and to reward miners, who receive block rewards and payouts from a storage endowment funded by those fees, and it can also be used as a means of value exchange.

Who is behind the project?

Arweave was founded in 2017 by Sam Williams and William Jones. Sam Williams continues to lead the project and is a director of the company that develops it.

Tokenomics of AR

The total supply of AR is capped at 66 million tokens, of which approximately 65.7 million are in circulation according to CoinMarketCap. The remaining tokens are released over time as mining rewards. The full supply of 66 million AR is allocated as follows, according to CoinMarketCap:

AR Allocation	Percentage
Mining rewards	16.67%
Advisors	3.03%
Public sale	3.79%
Strategic partners	6.06%
Seed sale	9.09%
Team	10.61%
Private sale	13.64%
Adoption incentives	15.91%
Treasury	21.21%
Total	**100%**

General Risks

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

Competition

The Arweave network faces competition from other decentralised storage networks such as Filecoin (FIL), Sia (SC), and others. AR's value derives from its broader adoption in the market. If the Arweave network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of AR.

Due Diligence

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