PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Tread (TREAD)

Last updated on August 6, 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 TREAD 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 TREAD. 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 Tread and how does it work?

Tread is an algorithmic trading terminal and order and execution management system for digital asset markets, operated by Tread Labs Corporation. The platform lets retail and professional traders execute across centralized exchanges, perpetual venues, and on chain swaps from a single interface, with execution algorithms, transaction cost analysis, and an agent marketplace. The terminal has been operating since 2022 and the company raised equity funding in 2024.

At the time of writing the token is not live. The TREAD will be used to lock for tiered discounts on trading and automation fees, to lock for a listing slot to publish a trading agent to the agent marketplace, to lock for a hiring slot to activate a listed agent, and by integrated venues as a refundable security deposit for exchange integration, and it will carry off chain advisory governance rights at launch. No yield, interest, or reward is paid on any lock, and the token confers no equity, dividend, profit share, or revenue share.

Who is behind the project?

Tread was founded in 2022 by David Jeong. David Jeong serves as Chief Executive Officer.

Tokenomics of Tread

The total supply of TREAD is 100 million tokens which is distributed as follows:

TREAD Allocation	Percentage
Ecosystem Programs	35.5%
Tread Labs Treasury	23.8%
Team	18.0%
Genesis Airdrop	15.2%
Foundation Treasury	7.5%
Total	**100%**

General Risks

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

Competition

The Tread platform faces competition from other algorithmic trading terminals and execution platforms such as 3Commas, Hummingbot, and others. TREAD's value derives from its broader adoption in the market. If the Tread platform fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of TREAD.

Due Diligence

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