

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

VELO (VELO)

Last updated on 14 October 2025

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 VELO 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 VELO. 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 VELO and how does it work?

Velo is a payments-focused network positioned as a “Web3+ Universal Financial Network” for cross-border payments, remittances, merchant/loyalty tools, and real-world-asset integrations. Its PayFi stack centers on a USD-pegged stable-credit called USDV, supported by components such as a Digital Reserve System (DRS) and an Ecosystem/Foundation Reserve that back settlement and incentives.

VELO is used in the Omni Points Platform, a Web3 loyalty system that lets users earn, redeem and exchange points across brands using VELO as the settlement token. It is also used on Travala.com for travel payments and is planned for the Orbit Plus Super App and VELO FX DEX for wallet, asset, and cross-chain functions.

Who is behind the project?

Velo Labs is the issuer of VELO, and Chatchaval Jiaravanon serves as the chairman of Velo Labs.

Tokenomics of VELO

The total supply of VELO is 30 billion tokens, which is distributed as follows:

Category	Percentage
Listing	0.67%
Private Placement	4.88%
Founders	10.00%
VELO Development Reserve	23.33%
Early Backers and Advisors	7.90%
Strategic Partners	18.28%
Community Development	18.28%
Reserve	16.67%
Total	100%

General Risks

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

Competition

The Velo network faces competition from other payment-focused blockchains and stablecoin networks such as Stellar and Ripple/XRP Ledger, and many others. VELO's value derives from its broader adoption in the market. If the Velo network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of VELO.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on VELO and determined that VELO 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 VELO, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created VELO;

- The supply, demand, maturity, utility and liquidity of VELO;
- Material technical risks associated with VELO, including any code defects, security breaches and other threats concerning VELO 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 VELO, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of VELO, 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 VELO about whether VELO, or generally about whether the type of crypto asset, is a security and/or derivative.