

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Arkham (ARKM)

Last updated on August 14, 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 ARKM 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 ARKM. 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 Arkham and how does it work?

Arkham Intelligence is a blockchain analytics platform that aims to deanonymize blockchain transactions by linking on-chain activity to real-world entities. The project is designed to increase transparency in cryptocurrency markets, support investigations, and provide data-driven insights to traders, institutions, and other stakeholders.

The platform consists of two main components. The Analytics Platform aggregates blockchain data and applies analysis to identify and track entities such as centralized exchanges, decentralized finance protocols, investment funds, large token holders, and specific tokens. It presents users with information on portfolio holdings, transaction flows, exchange activity, and network relationships. The Intel Exchange is a decentralized marketplace where users can buy and sell blockchain intelligence, such as address labels, hacker tracing information, and curated datasets. Transactions on the Intel Exchange are conducted through audited smart contracts, ensuring that Arkham does not take custody of user funds.

The Intel Exchange operates through an “intel-to-earn” model. Buyers post bounties in ARKM tokens to request specific intelligence. Other users can increase the bounty by contributing additional ARKM, and sellers compete to provide verified information that meets the bounty requirements. Auctions are also available for intelligence that sellers already hold, allowing them to set a buy-now price or a timed bidding period. All submitted intelligence undergoes a verification process before it is made available to buyers.

ARKM is the native token of the Arkham ecosystem and has several functions within the platform. It is used as a medium of exchange to pay for intelligence and services. It serves as an incentive mechanism, with tokens distributed as rewards for contributions to the ecosystem and discounts of up to fifty percent on platform fees for holding ARKM or twenty percent for making payments in ARKM. It also functions as a governance token, allowing holders to participate in decisions regarding platform development and policy.

Arkham was founded in 2020 by Miguel Morel and is headquartered in the Dominican Republic. The company has raised over \$14M from investors, including the founders of Palantir and OpenAI, Geoff Lewis of Bedrock, and Tim Draper. The ARKM token launched in July 2023 via Binance Launchpad.

Who is behind the project?

Arkham is a blockchain intelligence company that has built a platform that aims to provide information on the real-world entities and individuals behind crypto market activity. The company is a Series A startup with over \$12 million raised from investors including the founders of Palantir and OpenAI, and VCs including Geoff Lewis at Bedrock and Tim Draper.

Tokenomics of Arkham

ARKM has three functions:

1. Serve as the currency for the Arkham Intel exchange and intel-to-earn economy
2. Through rewards and discounts, create an incentive system accelerating Arkham adoption
3. Serve as the governance token for the Arkham Intel Exchange

The intel-to-earn and incentive systems help to balance the token economy, with ARKM entering circulation via intel-to-earn payments and ARKM rewards, and cycling out of circulation via platform purchases made in ARKM and exchange fees.

To support the network, Arkham takes a 2.5% maker fee on submitted bounties and auction payouts and a 5% taker fee on bounty payouts and successful auction bids.

Initial Allocation

ARKM has a total initial supply of 1,000,000,000 tokens, distributed as follows:

Category	Amount
Ecosystem Incentives and Grants	37.3%
Core Contributors	20%
Investors	17.5%
Foundation Treasury	17.2%
Binance Launchpad	5%
Advisors	3%

Circulating supply (informational): approximately 225,100,000 ARKM (about 22.5% of max supply) as of August 14, 2025. Platform fees remain a 2.5% maker fee on submitted bounties and auction payouts and a 5% taker fee on bounty payouts and successful auction bids.

General Risks

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

Competition

As of May 2024, there are no decentralized platforms like Arkham, which use a decentralized intelligence exchange to bid and sell blockchain intelligence. However, as the blockchain intelligence industry continues to develop, new platforms may be developed. In such a case, if Arkham fails to achieve sufficient adaptation compared to future organizations in the market, this could negatively impact the value of ARKM. Additionally, there are several blockchain intelligence organizations that use a traditional subscription or pay-per-use billing model which could compete with Arkham's growth.

Developer Dependence

Although there are developers working on ARKM, there are no guarantees that they will continue to contribute. ARKM could be negatively affected by an inability to retain and/or attract developers to continue to build out its network.

Due Diligence

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

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