PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

ApeCoin (APE)

Last updated on September 10, 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 APE 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 APE. 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 ApeCoin and how does it work?

ApeCoin is an ERC-20 token launched in March 2022 to support the Bored Ape Yacht Club (BAYC) franchise, a high-profile collection of ape-themed NFTs that is expanding into a broader metaverse experience called Otherside. The team positions ApeCoin as the open-source protocol layer of this ecosystem, intended to function as a common store of value, medium of exchange and unit of account across BAYC-related applications. Holders originally exercised on-chain governance through the ApeCoin DAO, could gain privileged access to games, events or merchandise and can be rewarded for integrating APE into third-party projects.

In June 2025 the community approved AIP596, and the ApeCoin DAO has since completed its wind down: all DAO governance frameworks, working groups and delegated authorities have been terminated. Treasury assets and operational responsibility have transferred to ApeCo, a Yuga Labs backed entity that concentrates on ApeChain, BAYC and Otherside. Token holders no longer have an on chain governance mechanism through which to direct ApeCoin DAO decisions.

Who is behind the project?

Yuga Labs created BAYC in April 2021 and later spin-off collections such as Mutant Ape Yacht Club. The company was founded by Greg Solano, Wylie Aronow, Kerem Atalay and Zeshan Ali. After a period under former Activision Blizzard executive Daniel Alegre, BAYC co-creator Greg Solano returned as CEO of Yuga Labs in February 2024.

Tokenomics of ApeCoin

The total supply of ApeCoin is fixed at 1 billion tokens, all minted at launch, with no mint or burn function exposed in the contract. Scheduled vesting concluded in March 2026, and the circulating supply is now approximately 1 billion APE, equal to the total supply, according to CoinMarketCap.

General Risks

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

Competition

The ApeCoin network faces competition from other metaverse-focused cryptocurrencies such as The Sandbox (SAND), Decentraland (MANA), Axie Infinity (AXS), among many, and others. APE's value derives from its broader adoption in the market. If the ApeCoin network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of APE.

Due Diligence

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