

PAYWARD CANADA INC.
CRYPTO ASSET RISK DISCLOSURE
RaveDAO (RAVE)

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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 RAVE 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 RAVE. 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 RAVE and how does it work?

RaveDAO is a decentralized entertainment ecosystem that merges live music events with blockchain participation. It connects communities, artists, and brands through on-chain ticketing, payments, and NFT integrations. The project enables event coordination and community engagement under a unified network of global and local chapters.

At the time of writing, the token is not live. The team plans for the RAVE token to support access, licensing, rewards, and governance within the RaveDAO ecosystem. Holders will be able to stake RAVE for VIP access, artist meet and greets, and event related payments. Organizers can use the token to license RaveDAO's IP, launch local chapters, and qualify as verified partners. A Stake to Earn model is expected to provide benefits or yield to organizers, artists, and vendors who participate in the ecosystem. Governance will include voting on events, community proposals, and philanthropic initiatives.

Who is behind the project?

The project is led by a team founded by Yemu Xu.

Tokenomics of RAVE

RAVE has a total supply of 1 billion tokens, which is distributed as follows:

Category	Percentage
Community	30%
Ecosystem	34%
Foundation, Grants & Impact Pool	6%
Team and Co-Builders	20%
Early Supporters	5%
Liquidity	5%
Total	100%

General Risks

Like all other digital assets, there are some general risks to investing in RAVE. These include short history risk, volatility risk, 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 RAVE

Competition

The RaveDAO platform faces competition from other SocialFi and Event Economy blockchain platforms such as ApeCoin (APE), and others. RAVE's value derives from its broader adoption in the market. If the RaveDAO platform fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of RAVE.

Due Diligence

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