

PAYWARD CANADA INC.
CRYPTO ASSET STATEMENT
APR

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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 APR 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 APR. 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 APR and how does it work?

aPriori is a liquid-staking protocol built on the Monad blockchain. It allows MON (Monad's native token) holders to stake and receive aprMON, a reward bearing token that represents staked MON. aprMON can be used in decentralized finance (DeFi) applications while staking rewards accumulate. The protocol also integrates MEV (Maximal Extractable Value) mechanisms, which generate additional returns when validators reorder transactions to capture on-chain opportunities such as arbitrage or liquidations, in line with network rules.

The APR token is the native asset of the aPriori ecosystem. At the time of writing, the token is not yet live but is intended to serve as a governance token. APR is separate from aprMON: aprMON functions as the liquid-staking receipt whose exchange rate increases as staking rewards accrue and can be used across DeFi, then redeemed back for MON.

Who is behind the project?

aPriori was founded by Ray Song.

Tokenomics of APR

The total supply of APR is 1 billion tokens, which is distributed as follows:

Category	Percentage
Early Backers	16.00%
Core Contributors	16.00%
Foundation	16.00%
Genesis Airdrop	12.00%
Community Incentives	22.00%
Ecosystem Growth	17.00%
Liquidity & Market Stability	1.00%
Total	100%

General Risks

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

Competition

The aPriori protocol faces competition from other liquid staking protocols such as Lido, Rocket Pool, and many others. APR's value derives from its broader adoption in the market. If the aPriori protocol fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of APR.

Due Diligence

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