PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

VVV

Venice (VVV)
Last updated on July 20, 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 VVV 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 VVV. 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 VVV and how does it work?

Venice Token (VVV) is an ERC-20 token on the Base network developed by Venice.ai to facilitate access to private and uncensored artificial intelligence (AI) services. By staking VVV tokens, users can access Venice's API for generating text, images, and code without incurring per-request fees. This model allows users to control a portion of Venice's AI inference capacity proportional to their staked amount.

Who is behind the project?

Venice.ai is the company responsible for developing the Venice Token (VVV) and its associated AI services. The founder of Venice.ai is Erik Voorhees, and the COO is Teana Baker-Taylor.

Tokenomics of VVV

At the Token Generation Event (TGE), 50% of the total supply (50 million VVV) was airdropped to Venice users and the crypto AI community. The overall allocation is as follows:

VVV Allocation	% of total supply
Community Airdrop	50%

Venice.ai Company	35%
Liquidity Development	5%
Incentive Fund	10%
Total	100%

As of July 2026, the current circulating supply of VVV is approximately 47 million. VVV's annual inflation is 3M VVV while every new Venice Pro subscription automatically triggers a $2 VVV buy and burn. New Pro+ and Max subscriptions now also trigger programmatic burns at $5 and $10 in VVV respectively.

General Risks
Like all other digital assets, there are some general risks to investing in VVV. 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 VVV
Competition
VVV faces competition from other AI protocols on Base such as MorpheusAI (MOR) and BlockAI (BAI). VVV's value derives from the protocol's broader adoption in the market. If VVV fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of VVV.

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