

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Aptos (APT)

Last updated on August 24, 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 APT 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 APT. 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 Aptos and how does it work?

Aptos is a Layer 1 blockchain designed to provide safe, scalable, and upgradeable infrastructure for decentralised applications. It processes transactions using a byzantine fault-tolerant, proof-of-stake consensus mechanism, in which validators receive and order transactions with voting weight proportionate to staked tokens. The network employs a pipelined and parallelised transaction processing model — decoupling dissemination, ordering, execution, storage, and ledger certification — to achieve high throughput and low latency.

APT is the native token of the Aptos blockchain. It is used to pay transaction and network fees, participate in governance voting on protocol upgrades, and secure the network through staking in the proof-of-stake consensus model.

Who is behind the project?

Aptos is led by Avery Ching (CEO), Mo Shaikh (Co-founder), Alin Tomescu (Head of Cryptography), Zekun Li (Head of Blockchain), Sasha Spiegelman (Head of Research), and Solomon Tesfaye (CBO).

Tokenomics of Aptos

APT launched with a genesis supply of 1 billion tokens. As of August 2026 the total supply is approximately 1.21 billion APT and the circulating supply is approximately 858 million APT. On April 14, 2026 Aptos announced it had updated its tokenomics. A governance approved hard cap of 2.1 billion APT has been introduced alongside a reduction in the annual staking reward rate to 2.6% and a tenfold increase in gas fees, all of which are burned upon payment. Once the network's native decentralised exchange reaches scale, annual burns are projected to surpass 32 million APT. Aptos Foundation has committed to permanently locking 210 million APT from circulation and is exploring a programmatic buyback mechanism financed through Foundation revenues.

General Risks

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

Competition

The Aptos network faces competition from other Layer 1 blockchains such as Ethereum, Solana, Avalanche, and others. APT's value derives from its broader adoption in the market. If the Aptos network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of APT.

Developer Dependence

While there are many developers who contribute to Aptos, there are no guarantees that they will continue to contribute. APT, Aptos's native asset, could be negatively affected by an inability to retain and/or attract developers to keep up with market needs and improve its smart contract tooling when necessary.

Due Diligence

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