PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Pump.fun (PUMP)

Last updated on September 2, 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 PUMP 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 PUMP. 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 Pump.fun and how does it work?

Pump.fun is a memecoin project on the Solana blockchain. The project represents the official token of the Pump.fun cryptocurrency launchpad. As a memecoin, the PUMP token's sole utility is social commentary and entertainment. It serves no other purpose within the pump.fun ecosystem.

In April 2026, Pump.fun began directing 50% of net platform revenue into a programmatic smart contract that buys back and burns PUMP on the open market for a period of one year, replacing an earlier policy that had committed 100% of revenue to buybacks. Pump.fun states that PUMP does not represent a right to revenue or any other distribution, and that references to token purchases describe historical activity only.

Who is behind the project?

PUMP is the official memecoin of the Pump.fun launchpad, which launched in 2023 by founders Noah Tweedale, Alon Cohen and Dylan Kerler.

Tokenomics of Pump.fun

PUMP has a maximum supply of 1,000,000,000,000 tokens. On April 28, 2026, Pump.fun burned all PUMP previously bought back under its prior policy, reported at around $370 million and about 36% of circulating supply at the time, and began the buyback and burn program described above. As of September 2026, the circulating supply is approximately 395.8 billion PUMP according to CoinMarketCap.

General Risks

Like all other digital assets, there are some general risks to investing in PUMP. 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 Pump.fun

Competition

The Pump.fun network faces competition from other memecoin projects such as Doge, Shibu Inu, and others. PUMP's value derives from its broader adoption in the market. If the Pump.fun network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of PUMP.

Due Diligence

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