

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

CARV

Carv Protocol (CARV)

Last updated on August 21, 2025

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 CARV 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 CARV. 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 Carv Protocol and how does it work?

CARV Protocol is a modular data layer for gaming and AI that lets users and autonomous agents own, store, and prove their identity and activity across chains. It operates as an SVM Layer 2 roll-up secured by Ethereum, couples CARV ID for portable identity with a community verification layer that attests trusted-execution proofs and writes results on-chain.

The native CARV token can be staked 1 for 1 into non-transferable veCARV, enabling holders to earn ongoing network rewards and participate directly in on-chain governance. By locking CARV into veCARV, users receive yield distributions from protocol fees and gain voting power.

Who is behind the Project?

Carv Protocol was founded by Chloe Xiaoyi Gu and Victor Yu.

Tokenomics of Carv Protocol:

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

CARV Allocation	CARV tokens	% of Total supply
Nodes & Community	500 million	50.00%
Ecosystem & Treasury	90 million	9.00%
Early Investors	92.46 million	9.246%
Private Fundraising	82.95 million	8.295%
Founding Team & Advisors	194.59 million	19.459%
Liquidity	40 million	4%
Total	1 billion	100%

General Risks

Like all other digital assets, there are some general risks to investing in CARV. 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 Carv Protocol

Competition

The CARV Protocol faces competition from other blockchain gaming and AI-focused protocols such as Xai. CARV's value derives from its broader adoption in the market. If the CARV Protocol fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of CARV.

Due Diligence

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