PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Aptos (APT)

Last updated on August 24, 2026

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading APT. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the Risk Summary for additional discussion of general risks associated with the assets made available in the 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 risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.

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 risk, 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 UK 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 the UK, 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.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. Take 2 mins to learn more.

Payward Ltd (trading as Kraken) is registered as a cryptoasset firm with the Financial Conduct Authority

(FRN: 928768) registered office at 6th Floor, One London Wall, London, EC2Y 5EB. Cryptoasset services offered by Payward Ltd are unregulated and not covered by the Financial Services Compensation Scheme as well as the FCA's consumer protection regulations. Note the value of cryptoassets can go down as well as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.