

# PAYWARD CANADA INC.

## CRYPTO ASSET STATEMENT

GFI

### Goldfinch (GFI)

Last updated on August 11, 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 GFI 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 GFI. 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 Goldfinch and how does it work?

Goldfinch (GFI) is the native ERC-20 token of the Goldfinch protocol, a decentralized credit platform aiming to expand access to capital by delivering crypto loans without requiring crypto collateral. Instead, borrowers are assessed using off-chain creditworthiness via community evaluation and auditor approval mechanisms.

GFI serves multiple core functions: it enables governance voting, incentivizes auditors, supports backers via staking, funds protocol incentives and community grants, and can be locked in Member Vaults to earn rewards. The protocol also features FIDU, a token representing liquidity provider shares; it can be redeemed for USDC according to Senior Pool performance.

#### Who is behind the Project?

Goldfinch was founded in July 2020. The project is developed and managed by Warbler Labs, located in Walnut, California, United States.

## Tokenomics of GFI

Goldfinch follows a fixed maximum supply model, with a total of 114,285,714 GFI tokens. The initial distribution of these tokens was allocated across various stakeholder groups including liquidity providers, backers, team members, and the treasury.

Category	Percentage
Liquidity Providers	16.2%
Backers	8.0%
Contributors	0.7%
Auditors	3.0%
Borrowers	3.0%
Early and Future Team	28.4%
Warbler Labs	4.4%
Early Supporters	21.5%
Treasury	14.8%
<b>Total</b>	<b>100%</b>

As of August 2025, the circulating supply is approximately 93 million GFI.

## General Risks

Like all other digital assets, there are some general risks to investing in Goldfinch. 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 GFI

### *Competition*

Goldfinch faces specific risks that could impact its value and adoption. Goldfinch is aiming for a share of the decentralised lending market by leveraging its unique credit scoring and lending protocol, i.e., competitors like Aave and Compound. Each offers unique tradeoffs, fostering competition between them. Goldfinch's value derives from its broader adoption and the effectiveness of its lending processes. If Goldfinch fails to achieve sufficient adoption or lending efficiency compared to other options in the market, this could negatively impact the value of Goldfinch.

## **Due Diligence**

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