

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

GAL

Galxe (GAL)

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 GAL 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 GAL. 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 Galxe and how does it work?

Galxe is a decentralized super-app focused on digital identity, community growth, and on-chain user engagement. Galxe operates a credential-data network in Web3 that enables projects to transform user activity, wallet history, social interactions, and NFT holdings into verifiable credentials. These are used in Galxe products such as Quest, Passport, Score, and the AI assistant Alva.

In 2024, Galxe introduced Gravity, a blockchain infrastructure initiative designed to expand its ecosystem and support its credential-based products. To unify activity across both the credential products and the new chain, the project introduced a token migration from GAL to G. Through community-approved governance proposals (GP-25 and GP-30), GAL holders could redenominate their holdings into the new G token at a 1:60 ratio.

G is the upgraded governance and utility token used across Galxe's application layer and the Gravity chain. It replaces GAL in all new product integrations. Migration began on July 9, 2024, through a dedicated portal. GAL tokens are burned upon conversion to G.

Who is behind the project?

Charles Wayn serves as Co-Founder, while Harry Zhang serves as Co-Founder and Chief Executive Officer.

Tokenomics of GAL

GAL has a fixed maximum supply of 200,000,000 tokens. Beginning in 2024, these tokens have been subject to a community-approved migration to the new G token at a 1:60 ratio. The initial allocation of GAL was distributed as follows:

Category	Allocation (%)
Community	20%
Team	15%
Marketing	15%
Seed Sale	10.63%
Foundation	10%
Strategic Sale 1	6.64%
Advisors & Partners	6.23%
CoinList Public Sale	5%
Ecosystem	4.50%
Strategic Sale 2	3.50%
Early Adopters Rewards	2%
Launchpool	1.50%
Total	100%

General Risks

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

Competition

The Galxe network faces competition from other platforms that provide similar services, such as The Graph, Mask Network, API3, and many others. Galxe's value derives from its broader adoption in the market. If the Galxe network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of GAL (and its successor token, G).

Due Diligence

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