

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Tensor (TNSR)

Last updated on May 16, 2024

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading Tensor. 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 Tensor?

Tensor is an NFT marketplace on Solana with its own NFT collection called Tensorians.

Who is behind the Project?

Tensor is a company established by Ija Moisejevs and Richard Wu in July 2022, received financial backing from various organisations, among them Solana Ventures, Big Brain Holdings, and Placeholder.

How does it work?

Tensor is a platform that provides creators with management capabilities for their collections, including modifications to mints, names, descriptions, and more. It serves as a starting point for the release of various Solana NFTs. For traders, Tensor offers a marketplace with liquidity, real-time updates, advanced features, and the option to place market-making orders. Tensor also has an NFT collection, "Tensorians".

Tokenomics of Tensor:

TNSR is the governance token used by the community to manage key parameters of the Tensor protocols. TNSR can be used by holders to get discounts when trading on Tensor protocols. If the listing is created in TNSR, the protocol fee is reduced by 25%.

TNSR has a 1 billion max supply. The initial distribution of TNSR was as follows:

Allocation Type	Token Amount	Total Supply
-----------------	--------------	--------------

Community	550,000,000	55%
Core contributors	270,000,000	27%
Investors & advisors	90,000,000	9%
Reserve	90,000,000	9%
Total	1,000,000,000	100%
Circulating supply	125,000,000	

General Risks

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

Competition

Tensor is aiming for a share of the NFT trading marketplace alongside similar projects, i.e. OpenSea, Blur. Each offers unique tradeoffs, fostering competition between them. Tensor's value derives from its broader adoption in the market. If Tensor fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of TNSR.

Developer Dependence

Although there are many developers working on Tensor, there are no guarantees that they will continue to contribute. Tensor could be negatively affected by an inability to retain and/or attract developers to continue to build out its protocol.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on TNSR and determined it was permitted to make TNSR available for trading to UK users. This process generally consists of reviewing publicly available information on the following:

- The creation, governance, usage and design of TNSR, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created TNSR;
- The supply, demand, maturity, utility and liquidity of TNSR;
- Material technical risks associated with TNSR, including any code defects, security breaches and other threats concerning Tensor 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 TNSR, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of Tensor, 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 TNSR about whether TNSR, 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.