

# PAYWARD CANADA INC.

## CRYPTO ASSET STATEMENT

### GNO

#### Gnosis (GNO)

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 GNO 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 GNO. 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 Gnosis and how does it work?

Gnosis is a decentralized infrastructure ecosystem designed to support a wide array of decentralized applications (dApps) in the Ethereum ecosystem. Initially launched as a prediction market platform, Gnosis has evolved into a modular suite of products that includes a scalable blockchain, secure asset management tools, and advanced trading protocols. Its primary components include Gnosis Chain, Gnosis Safe, and CoW Protocol.

Gnosis Chain is a low-cost, Ethereum Virtual Machine (EVM)-compatible proof-of-stake blockchain that serves as a testing ground for cutting-edge Ethereum development while providing a scalable and secure environment for deploying smart contracts. It enables developers to build dApps with minimal transaction fees and integrates seamlessly with Ethereum's infrastructure.

Gnosis Safe is a customizable multisignature wallet used extensively by DAOs, companies, and individuals to securely manage digital assets. Users can configure rules requiring multiple approvals for transactions,

thereby enhancing governance and reducing custodial risk. The Safe also provides direct access to dApps from within the wallet interface.

CoW Protocol (Coincidence of Wants) is a decentralized trading system that executes batch auctions to match buyers and sellers directly when possible, minimizing reliance on liquidity pools and mitigating front-running via MEV protection. The protocol's mechanism improves trading efficiency and cost-effectiveness across DeFi platforms.

Gnosis also supports decentralized prediction markets using a framework called conditional tokens, which tokenize event outcomes and allow users to speculate or hedge on real-world scenarios. These tokens are instrumental in building open financial instruments based on probabilistic forecasting.

The native token, GNO, plays several roles within the Gnosis ecosystem:

- It is used for staking on Gnosis Chain, either directly or through liquid staking platforms like Stakewise, helping secure the network while providing token holders with yield.
- GNO holders participate in governance via the GnosisDAO, proposing and voting on decisions related to protocol upgrades, treasury management, and ecosystem development.
- GNO can also be locked to mint OWL, a stable-value token used to pay transaction fees within the platform and as collateral in prediction markets.

Together, these elements form a comprehensive framework that emphasizes decentralized governance, composability, and open experimentation across Ethereum-compatible environments.

### Who is behind the project?

Founded in 2015 by Martin Koeppelmann and Stefan George, the Gnosis prediction market platform was one of the first projects backed by the Ethereum-focused incubator, ConsenSys. Prior to Gnosis, George founded a centralized Bitcoin prediction market, fairlay.com.

### Tokenomics of GNO

At the time of its launch in April 2017, Gnosis conducted an initial coin offering (ICO) to distribute its native token, GNO. The majority of the token supply was allocated to the Gnosis Vault to support long-term ecosystem development, while smaller portions were designated for the founding team, a strategic partnership with ConsenSys, and public investors. This distribution was designed to align incentives and fund the project's roadmap.

Allocation Category	Percentage of Total Supply (10,000,000 GNO)
Gnosis Vault	~85%
Team	~7%
ConsenSys	~4%
ICO Investors (Public)	~4%
<b>Total</b>	<b>100%</b>

In April 2022, a GnosisDAO governance proposal significantly reduced the total supply of GNO from 10 million to 3 million tokens by burning unallocated tokens, most of which were held in the Gnosis Vault.

As of August 2025, the circulating supply is approximately 2.6 million GNO, or roughly 86% of the fixed 3 million max supply.

### **General Risks**

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

#### *Developer Dependence*

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

#### *Regulatory Scrutiny*

A regulatory crackdown on DeFi could regulate decentralised exchanges similar to their centralised counterparts effectively curtailing the growth of DeFi. This could have a negative impact on the value of GNO.

### **Due Diligence**

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