

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

LDO

Lido DAO (LDO)

Last updated on August 13, 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 Lido DAO (LDO) 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 Lido DAO (LDO). 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 Lido DAO and how does it work?

Lido is a decentralized liquid staking protocol for Ethereum that enables users to earn staking rewards without locking assets or maintaining infrastructure. The flagship protocol, Lido on Ethereum, allows users to deposit any amount of ETH and receive stETH tokens that represent the underlying stake plus accrued rewards. stETH is freely transferable and can be used across decentralised-finance applications such as lending, borrowing and restaking.

Since April 2023 the project streamlined its focus to support Ethereum and Polygon, but support for Polygon has since been sunset, while products for Solana, Polkadot and Kusama were already discontinued. The current implementation, known as Lido V2, routes deposits through a modular “Staking Router” that allocates stake across independent validator modules operated by professional node operators and community-run distributed-validator-technology (DVT) clusters. Governance decisions—including fee parameters, validator onboarding and protocol upgrades—are executed on-chain by LDO token-holders through snapshot and on-chain voting.

Who is behind the project?

Lido DAO was launched in 2020 by Konstantin Lomashuk, Vasiliy Shapovalov and Jordan Fish. Development is coordinated by a loose collective of contributors, including software engineers, security researchers and staking-infrastructure providers such as P2P Validator, Chorus One and Staking Facilities. Strategic investors at launch included Semantic VC, ParaFi Capital and Libertus Capital, while community members now steer development through the DAO's open-governance process.

Tokenomics of *Lido DAO (LDO)*

LDO is an ERC-20 governance token that confers voting power over all Lido protocols. The total supply is fixed at 1 billion LDO. Percentages refer to the total supply as of August 13 2025.

Category	Percentage
DAO Treasury	36.32%
Investors	22.18%
Initial Lido developers	20%
Founders and future employees	15%
Validators and signature holders	6.5%

General Risks

Like all other digital assets, there are some general risks to investing in Lido DAO. 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 Lido DAO (LDO)

Competition

The Lido DAO network faces competition from other liquid-staking protocols such as Rocket Pool, Ankr and Swell. Lido DAO's value derives from its broader adoption in the market. If the Lido DAO network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of LDO.

Regulatory Scrutiny

A regulatory crackdown on decentralised finance (DeFi) could have a negative impact on DeFi and the value of LDO.

Developer Dependence

While there are many developers who contribute to Lido DAO, there are no guarantees that they will continue to contribute. LDO, Lido DAO'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 liquid-staking tooling when necessary.

Adoption by Protocols & Users

LDO's value derives from protocols built on Lido DAO. If Lido DAO fails to attract sufficient adoption, this could negatively impact the value of LDO.

Due Diligence

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