

# PAYWARD CANADA INC.

## CRYPTO ASSET STATEMENT

### AXS

#### **Axie Infinity Shards (AXS)**

Last updated on August 08, 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 eAXS 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 Axie Infinity Shards (AXS) 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 Axie Infinity Shards (AXS). 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 Axie Infinity Shards (AXS) and how does it work?**

Axie Infinity is a blockchain-based creature-battling universe launched in 2018 by game studio Sky Mavis. Each digital creature ("Axie"), land plot and in-game item is minted as a non-fungible token (NFT) on Ronin, an Ethereum-compatible side-chain purpose-built by Sky Mavis to deliver low-fee, high-throughput gameplay.

Players earn two ERC-20 tokens: Smooth Love Potion (SLP) for in-game actions and Axie Infinity Shards (AXS) for competitions, quests and ecosystem rewards. AXS acts as the ecosystem's governance and staking asset. Staking unlocks voting rights within the Axie Governance Portal, which opened to the public in June 2025. Voting power depends on the amount of AXS locked and a player's "Axie Score," a reputation metric tied to in-game achievements. Treasury revenues—principally marketplace and breeding fees collected in AXS and SLP—are distributed to stakers subject to governance outcomes.

Ronin employs a delegated proof-of-authority validator set that expanded to more than 50 independent nodes in 2024 and now supports zk-roll-ups for further scalability. AXS and SLP can be bridged between Ronin and Ethereum, enabling exchange liquidity while keeping transaction costs low for everyday gameplay.

### **Who is behind the Project?**

Axie Infinity is developed and maintained by Sky Mavis Pte Ltd. Trung Nguyen serves as Chief Executive Officer, Aleksander Leonard Larsen serves as Chief Operating Officer, and Jeffrey "Jiho" Zirlin serves as Growth Lead.

### **Tokenomics of Axie Infinity Shards (AXS):**

The AXS token has a fixed maximum supply of 270 million. The circulating supply was approximately **166.2 million AXS** on August 7 2025. Percentages refer to the total or max supply as of August 8 2025.

Category	Percentage
Staking & Play-to-Earn Rewards	49 %
Sky Mavis	21 %
Public Sale	11 %
Ecosystem Fund	8 %
Advisors	7 %
Private Sale	4 %

### **General Risks**

Like all other digital assets, there are some general risks to investing in AXS. 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 Axie Infinity Shards (AXS)**

#### *Competition*

The Axie Infinity network faces competition from other crypto-enabled games such as The Sandbox, Illuvium and Big Time. Axie Infinity's value derives from its broader adoption in the market. If the Axie Infinity network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of AXS.

### *Adoption by Protocols & Users*

AXS's value derives from protocols and games built on Axie Infinity. If Axie Infinity fails to attract sufficient adoption, this could negatively impact the value of AXS.

### *Developer Dependence*

While there are many developers who contribute to Axie Infinity and the Ronin side-chain, there are no guarantees that they will continue to contribute. AXS, Axie Infinity'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 decentralized gaming infrastructure when necessary.

### **Due Diligence**

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