

**PAYWARD LTD**  
CRYPTO ASSET RISK DISCLOSURE  
Backstage (BKS)

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**Disclaimer**

*Please note that this risk disclosure is not exhaustive of all risks associated with trading BKS. 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 Backstage and how does it work?**

Backstage Global is a full-cycle “Real-World Assets (RWA) EventFi” platform that mints event tickets, memberships, merchandise and travel perks as NFTs, routes fiat or crypto payments through a multichain layer, and uses smart contracts to split revenues automatically among artists, organisers and partners, attempting to bring transparency and new income streams to the live events economy.

At the time of writing, the token is not live, but the team plans to have BKS power the ecosystem by covering marketplace fees, enabling discounted payments for tickets, memberships, merchandise, and driving a loyalty-points programme for active users and referrers.

**Who is behind the project?**

Backstage Global was founded by Mauricio Silvestris and led by Mads Ulrick Holmstrup.

**Tokenomics of BKS**

The total supply of BKS is 1 billion tokens which is distributed as follows:

BKS Allocation	BKS tokens	% of Total supply
Industry Early Backers	210 million	21%
Pre-Seed	100 million	10%
Seed	90 million	9%
Private/KOL Round	100 million	10%
Public	60 million	6%
Team	100 million	10%

Advisors and Strategic Partners	80 million	8%
Marketing	70 million	7%
Ecosystem and Network Growth	50 million	5%
Liquidity	100 million	10%
Foundation/Staking/LP Staking	40 million	4%
<b>Total</b>	<b>1 billion</b>	<b>100%</b>

### General Risks

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

#### *Competition*

The Backstage network faces competition from other on-chain event and content engagement platforms such as Audius. BKS's value derives from its broader adoption in the market. If the Backstage network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of BKS.

### Due Diligence

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

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