

PAYWARD CANADA INC.  
CRYPTO ASSET STATEMENT  
AXL

**Axelar (AXL)**

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 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 Axelar (AXL) 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 Axelar (AXL). 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 Axelar (AXL) and how does it work?**

Axelar provides a decentralized network and tools to help builders of decentralized applications (dApps) with seamless cross-chain communication through its protocol suite, tools and APIs. Axelar features three core components – a decentralized network, a software development kit of protocols and APIs, and a set of gateway smart contracts for cross-chain connectivity. Powered by a decentralized network of validators, anyone can join the network, build on it, or use it. Apps builders can interact with a simple API atop a permissionless network that routes messages and ensures network security via proof-of-stake (PoS) consensus mechanism.

AXL is the native token of the Axelar network. The protocol also supports the cross-chain transfer of several native tokens via their wrapped ERC-20 versions.

## Who is behind the Project?

Axelar was founded by Sergey Gorbunov and Georgios Vlachos, former founding members of the Algorand network.

### **Tokenomics of Axelar (AXL):**

AXL has a fixed supply cap of approximately 1.21 billion tokens issued at genesis. Percentages refer to the total or max supply as of August 8 2025.

Category	Percentage
Community programs (incl. insurance fund)	36 %
Backers	29.5 %
Team	17 %
Company operations	12.5 %
Community sale	5 %

## General Risks

Like all other digital assets, there are some general risks to investing in AXL. 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 Axelar (AXL)

### *Competition*

The Axelar network faces competition from other cryptocurrencies such as Wormhole, LayerZero, Across Protocol and many others. Axelar's value derives from its broader adoption in the market. If the Axelar network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of AXL.

### *Adoption by Protocols & Users*

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

## **Due Diligence**

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