PAYWARD CANADA INC.
CRYPTO ASSET STATEMENT
Aavegotchi (GHST)

Aavegotchi (GHST)

Last updated on August 07, 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 GHST 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 GHST. 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 Aavegotchi and how does it work?

Aavegotchi is a community-owned blockchain game where players summon, trade and upgrade pixel-ghost avatars called Aavegotchis. Each avatar is an ERC-721 NFT that embeds three on-chain attributes: randomly-generated character traits, a kinship score that rises with owner interaction and a Spirit Force balance of Aave interest-bearing aTokens staked inside the NFT.

To lower fees and increase throughput, the AavegotchiDAO voted in early 2024 to deploy Gotchichain, a dedicated Layer-3 roll-up that settles on Coinbase's Base network, giving the game its own high-speed environment for all in-game transactions.

GHST is the ecosystem's utility-governance token. Holders spend GHST to purchase avatars, wearables and land in the Baazaar marketplace, earn voting power in AavegotchiDAO (1 GHST = 1 vote) and stake GHST for FRENS reward points. Since 2024 GHST also functions as the native gas token on Gotchichain as liquidity and governance migrate from Polygon to Base.

Who is behind the Project?

Aavegotchi was created in 2020 by Pixelcraft Studios Pte. Ltd., a Singapore-based company co-founded by Jesse Johnson and the pseudonymous developer "Coder Dan."

Tokenomics of GHST

The AavegotchiDAO closed the GHST bonding curve in March 2023, permanently capping total supply at 52 747 802 GHST.

CoinGecko reports a circulating supply of around 51 157 239 GHST as of August 7 2025.

Primary sales denominated in GHST trigger an automatic 5% burn, gradually reducing the outstanding supply.

Initial distribution was as follows:

- 5 000 000 GHST sold in an August 2020 private sale (0.05 DAI each);
- 500 000 GHST sold in a September 2020 pre-sale (0.10 DAI each);
- a public bonding-curve sale that opened at 0.20 DAI.

General Risks

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

Competition

The Aavegotchi network faces competition from other NFT-gaming and metaverse projects such as Axie Infinity, Illuvium and others. Aavegotchi's value derives from market adoption; failure to attract sufficient users compared with alternatives could negatively impact GHST.

Due Diligence

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