

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Zora (ZORA)

Last updated on March 07, 2025

Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading ZORA. 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 Statement for additional discussion of general risks 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 that may be inaccurate, incomplete, or change at any time.

What is Zora and how does it work?

Zora is an onchain social network that allows creators to turn their content into tradable digital assets. The platform operates on blockchain technology, enabling users to mint, share, and monetize their work in a decentralized manner. It focuses on empowering creators by providing tools to tokenize their media as non-fungible tokens (NFTs), which can be collected, traded, and sold.

The ZORA token is a memecoin with no utility or governance capabilities. As a standard memecoin, it is solely intended for entertainment and social engagement. The token does not provide holders with any control over the Zora platform or its development.

Who is behind Zora

Zora was founded in 2020 by Jacob Horne, LaDarius “Dee” Goens, Tyson Battistella, Dai Hovey, Slava Kim, and Ethan Daya. The legal entity behind the project is Zora Labs, Inc.

Tokenomics of Zora

The total supply of ZORA is 10 billion tokens which is distributed as follows:

ZORA Allocation	ZORA tokens	% of Total supply
Incentives	2 billion	20%
Airdrop	1 billion	10%
Liquidity	500 million	5%
Treasury	2 billion	20%
Team	3,5 billion	35%

Strategic Contributors	1 billion	10%
Total	10 billion	100%

General Risks

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

Competition

ZORA faces competition from other memecoins such as Dogecoin (DOGE), Shiba Inu (SHIB), and PEPE. ZORA's value derives from its broader adoption and community engagement. If the ZORA token fails to achieve sufficient adoption compared to other memecoins in the market, this could negatively impact its value.

Due Diligence

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

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 ZORA 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.

