

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Zircuit (ZRC)

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Disclaimer

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

Zircuit is an Ethereum-aligned Layer-2 (L2) network that employs zero-knowledge validity proofs (ZK-SNARKs) to batch transactions and post succinct proofs back to Ethereum for final settlement. The roll-up is **EVM-equivalent**, so existing Solidity contracts can deploy without code changes, while users can benefit from lower fees and faster confirmation compared with L1.

At the sequencer stage it employs AI-driven monitoring to detect and block hostile activity, bolstering network security. The system enables cross-chain transfers and aims to let developers launch decentralised applications at lower cost and with quicker confirmation times. Its infrastructure features an in-house bridge for moving assets safely and works seamlessly with existing Ethereum wallets and smart-contracts.

ZRC is the native token of the Zircuit platform. ZRC enables participants to receive awards, participate in network app fair launches, and according to the project team, participate in community governance in the future.

Who is behind Zircuit

Zircuit Ltd. is the organization behind the Zircuit platform. It was founded by Martin Derka, Jan Gorzny, and Krishna Sriram. Matt Ian Shaw serves as Director and Angel Xu is the project's CEO.

Tokenomics of ZRC

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

Category	Amount	Details
Airdrop and Community Rewards	21.00%	N/A
Community Provisions	13.08%	1 year cliff, then 24 months linear vesting
Ecosystem Development	17.93%	1 year cliff, then 24 months linear vesting
Foundation	18.70%	1 year cliff, then 24 months linear vesting
Team	18.74%	1 year cliff, then 24 months linear vesting
Investors	10.55%	1 year cliff, then 24 months linear vesting
Total	100.00 %	

General Risks

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

Competition

ZRC faces competition from other Ethereum-aligned Layer-2 networks such as zkSync Era, Polygon zkEVM, and many others. ZRC's value derives from the project's broader adoption in the market. If ZRC fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of ZRC

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on ZRC and determined that ZRC 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 ZRC, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created ZRC;
- The supply, demand, maturity, utility and liquidity of ZRC;

- Material technical risks associated with ZRC, including any code defects, security breaches and other threats concerning ZRC 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 ZRC, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of ZRC, 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 ZRC about whether ZRC, 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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