

# PAYWARD CANADA INC.

## CRYPTO ASSET STATEMENT

### ZETA

#### ZetaChain (ZETA)

Last updated on September 02, 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 ZETA 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 ZETA. 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 ZetaChain (ZETA) and how does it work?**

ZetaChain is a Layer-1 blockchain built with the Cosmos SDK and secured by Proof of Stake. It connects both smart contract platforms like Ethereum and Solana and non-smart-contract networks such as Bitcoin and Dogecoin. Developers can deploy “omnichain smart contracts” that move tokens or data across chains. This is supported by a node system of validators, observers, and Threshold Signature Scheme (TSS) signers, along with an Ethereum Virtual Machine (EVM)-compatible environment for application development. Launched in February 2024, ZetaChain uses a burn-and-mint method for cross-chain transfers, reducing reliance on wrapped tokens.

ZETA is the native token of the network. It pays transaction fees, secures the chain through staking, and rewards validators and delegators. Token holders can also delegate to validators and participate in governance. ZETA enables cross-chain transfers by being burned on a source chain and minted on a destination chain. After the initial four-year period, the token supply will increase at an annual rate of approximately 2.5%. This mechanism is intended to maintain validator participation and ensure the continued operation of the network

**Who is behind the project?**

ZetaChain was founded in 2021 by Ankur Nandwani. The core team includes Charlie McCowan (Head of Security), Jonathan Covey (Head of Community), and Denis Fadeev (Head of Developer Experience).

**Tokenomics of ZETA**

The total supply of ZETA is 2.1 billion tokens. At mainnet launch in February 2024, approximately 9.5% of the total supply had been unlocked or distributed, as follows:

Category	% of Total Supply
User Growth Pool	4.5%
Ecosystem Growth Fund	1.5%
Protocol Treasury	2.0%
Airdrop (pre-launch)	1.5%
Total	≈9.5%

The remaining supply continues to follow multi-year vesting schedules, allocated as follows:

Category	% of Total Supply
User Growth Pool	10.0%
Ecosystem Growth Fund	12.0%
Validator Incentives	10.0%
Liquidity Incentives	5.5%
Protocol Treasury	24.0%
Core Contributors	22.5%
Purchasers & Advisors	16.0%
Total	100%

As of September 2025, the circulating supply stands at approximately 1.02 billion ZETA (48.7% of total supply). Core Contributors, Purchasers, and other allocations remain subject to multi-year vesting schedules, which gradually increase circulating supply. Following the first four years, ZetaChain plans for a modest annual inflation rate of about 2.5% to support staking rewards and network security.

**General Risks**

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

#### *Competition*

The ZetaChain network faces competition from other interoperability-focused projects such as Axelar, Thorchain, and Celer, among others. ZETA's value derives from its broader adoption in the market. If the ZetaChain network fails to achieve sufficient adoption compared to the other options available, this could negatively impact the value of ZETA.

### **Due Diligence**

Prior to listing on the Kraken platform, Kraken performed due diligence on ZETA. Kraken was permitted to make ZETA available for trading to CA users, in compliance with CA law. This process generally consists of reviewing publicly available information on the following:

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