PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

zkVerify (VFY)

Last updated on August 31, 2026

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 VFY 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 VFY. 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 zkVerify and how does it work?

zkVerify is a Layer 1, proof-of-stake blockchain built specifically to verify zero-knowledge proofs at scale. Rather than each rollup, bridge, or privacy dApp embedding its own verifier on a general-purpose chain, those applications submit their proofs to zkVerify's network. There, optimized Rust-based verifier modules validate each proof, commit them into a Merkle tree, and publish compact attestations back to settlement chains drastically lowering on-chain gas costs and simplifying integration of advanced ZK technology across diverse ecosystems.

zkVerify's mainnet and the VFY token generation event went live on September 30, 2025. VFY is the network's native gas token, required to pay transaction fees, staked to secure the chain and earn rewards, and, once governance launches, will grant voting power. As of early 2026, the circulating supply is approximately 384.2 million VFY according to CoinMarketCap.

Who is behind the project?

zkVerify was founded and developed by Horizen Labs Research. It was co-founded by Robert Viglione and Rolf Versluis.

Tokenomics of zkVerify

The genesis supply of VFY is 1,000,000,000 tokens, allocated as Community 37.31%, Foundation 33.06%, Core Contributors 19.63%, and Investors 10%, according to zkVerify's own token page (https://zkverify.io/token). The Community allocation unlocked 29% at the token generation event with the remainder vesting monthly over 48 months following a 12 month cliff; the Foundation allocation unlocked 60% at the token generation event with the remainder vesting over 24 months; Core Contributor and Investor allocations are subject to a 12 month cliff before vesting. Beyond the 1 billion genesis supply, VFY has a disclosed annual emission (inflation) rate of 2.5%, used to fund staking rewards. As of early 2026, the circulating supply is approximately 384.2 million VFY according to CoinMarketCap (https://coinmarketcap.com/currencies/zkverify/).

General Risks

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

Competition

The zkVerify Network faces competition from other zero-knowledge native Layer 1 blockchains such as Aleo. VFY's value derives from its broader adoption in the market. If the zkVerify Network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of VFY.

Due Diligence

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