Zora (ZORA)
White paper

In accordance with Title II of Regulation (EU) 2023/1114 (MiCA)

N	Field	Content
0	Table of content	

01	Date of notification	2025-06-12
02	Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114	This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The operator of the trading platform of the crypto-asset is solely responsible for the content of this crypto-asset white paper.
03	Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114	This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.
04	Statement in accordance with Article 6(5), points (a), (b), (c) of Regulation (EU) 2023/1114	The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.
05	Statement in accordance with Article 6(5), point (d) of Regulation (EU) 2023/1114	false
06	Statement in accordance with Article 6(5), points (e) and (f) of Regulation (EU) 2023/1114	The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council. The crypto-asset referred to in this white paper is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

Summary

07	Warning in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114	**Warning** This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The admission to trading of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law. This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to Union or national law.
08	Characteristics of the crypto-asset	ZORA is a fungible community token designed for use within the Zora creator economy ecosystem. It enables holders to engage with forthcoming social features such as tipping or rewarding creators, curating content, and participating in community incentive programs that promote on-chain creative activity. ZORA can also serve as a medium of exchange for digital assets minted on the Zora platform. ZORA tokens are freely transferable, in whole or in part, on the Base network, and all associated usage rights and obligations follow the token upon transfer. ZORA has a maximum supply of 10 000 000 000 which is distributed as follows: _see table below_

Category	Total Supply
Community	20 %
Airdrop	10 %
Liquidity	5 %
Treasury	20 %
Team	18,9 %
Investors	26,1 %

09	Information about the quality and quantity of goods or services to which the utility tokens give access and restrictions on the transferability	N/A
10	Key information about the offer to the public or admission to trading	Kraken seeks admission to trading of the ZORA token so as to be compliant with MiCA and in keeping with its mission to make available for trading to its clients a wide range of assets.

	Part I – Information on risks	
I.1	Offer-Related Risks	**General Risk Factors Associated with Crypto-Asset Offerings** The admission to trading of crypto-assets, including ZORA, is subject to general risks inherent to the broader cryptocurrency market. **Market Volatility** The value of ZORA may experience substantial fluctuations driven by investor sentiment, macroeconomic developments, and market conditions. **Regulatory Risks** Changes in legislation, applicable laws, compliance requirements or the implementation of new regulatory frameworks could affect the availability, trading, or use of such assets. **Security Risks** The risk of exploitation, hacking or security vulnerabilities of the underlying protocol and/or contracts of the token leading to a loss. **Reputational Risks** The potential for damage to an organization's credibility or public trust, which can negatively impact stakeholder confidence and overall business viability. **Concentration Risk** A significant portion of ZORA tokens (approximately 45%) is held by the team and investors. These holdings are subject to vesting, but when unlocked they

		could be sold, which may impact the token's market price and decentralization.
I.2	Issuer-Related Risks	**Financial Stability Risk:** The financial condition of the issuer, including challenges in cash flow or profitability, may influence the project's ability to meet its objectives. If financial difficulties arise, they could impact the operations or sustainability of the issuer. **Legal and Regulatory Compliance** The issuer must comply with complex legal requirements (including data privacy, encryption export controls, and financial regulations) in multiple jurisdictions. Failure to adhere to applicable laws or adverse regulatory actions could limit Zora's operations or expose it to penalties. **Internal Control and Governance Risks:** The effectiveness of the issuer's internal controls and operational processes may impact the overall management of the project. Weaknesses in controls, governance and operations could impact the project's ability to meet its goals.
I.3	Crypto-Assets-related Risks	**Market Volatility** The crypto-asset market is subject to significant price volatility, which may affect the value of ZORA. Prices can fluctuate rapidly and unpredictably due to various factors, including market sentiment, economic indicators, technological developments, regulatory news, and macroeconomic trends. This high level of volatility may lead to sudden gains or losses and can impact the liquidity and tradability of the crypto-asset. **Liquidity** Liquidity refers to the ability to buy or sell a crypto-asset without causing significant price impact. ZORA may experience periods of low liquidity, meaning that it could be difficult to enter or exit positions at desired prices or volumes. Reduced liquidity may result from limited market participation, exchange restrictions, or broader market conditions. This can lead to increased price volatility, slippage, and difficulty in executing transactions. **Cybersecurity & Technology Risks** Risks arising from vulnerabilities in the blockchain technology used by the project or platforms. Example risks include smart contract exploits, compromise of platforms, forking scenarios, compromise of cryptographic algorithms. **Adoption Risks** The risk associated with the project not achieving its goals leading to lower than expected adoption and use within the ecosystem, the impact leading to a reduced utility and value proposition. **Custody & Ownership Risk**

		The risk related to the inadequate safekeeping and control of crypto-assets e.g. loss of private keys, custodian insolvency leading to a loss.
I.4	Project Implementation-Related Risks	**Adoption and network-effect risk** The usefulness of ZORA depends on sustained participation by creators and collectors. If few creators mint content coins or if collectors lose interest, overall activity and token demand could stagnate. **Road-map execution risk** Zora Labs has announced forthcoming features. Any delay, down-scaling, or cancellation of these deliverables would reduce the token's perceived utility. **Reliance on external infrastructure** The project is built on Base and ultimately on Ethereum. Disruptions, prolonged sequencer downtime, fee spikes, or policy changes on either network could interrupt minting or trading activity and erode user confidence. **Regulatory-compliance risk** The creator-coin model is novel. Future guidance could require registration, content filtering, or user-ID verification, adding cost and complexity or forcing design changes. **Competitive pressure** Alternative NFT or social-token platforms (for example OpenSea, Lens, Farcaster, friend.tech) may capture creators' attention, diverting liquidity and limiting ecosystem growth
I.5	Technology-Related Risks	**Smart contract risks** ZORA uses smart contracts to facilitate automated transactions and processes. While these contracts enhance efficiency and decentralization, they also introduce specific technical risks. Vulnerabilities such as coding errors, design flaws, or security loopholes within the smart contract code may be exploited by malicious actors. Such exploits could result in the loss of assets, unauthorized access to sensitive information, or unintended and irreversible execution of transactions. **Blockchain Network Risks** ZORA primarily relies on the Base blockchain for transaction processing. Base is an Optimistic Rollup on Ethereum – it inherits Ethereum's security but also has specific operational nuances. Currently, Base's sequencer is centrally run; any failure or misconduct by the sequencer could delay or censor Zora transactions. If the Base network experiences downtime, congestion, or a security breach (e.g., a flaw in the rollup protocol or a successful fraud-proof challenge), the usability of ZORA and contracts on Base would be directly affected.

		Privacy Transactions involving ZORA are recorded on a public blockchain, where transaction data is transparent and permanently accessible. While public addresses do not directly reveal personal identities, transaction histories can be analyzed and, in some cases, linked to individuals through data aggregation or external information sources. This transparency may pose privacy concerns for users seeking confidentiality in their financial activity. Participants should be aware that transaction data on public blockchains is not inherently private and could be subject to scrutiny by third parties, including regulators, analytics firms, or malicious actors.
I.6	Mitigation measures	**Use of Established Standard** ZORA is implemented using a well-tested token standard (ERC-20 on Base) which has been widely used and vetted. By adhering to a standard protocol and not using unproven custom code where unnecessary, the project reduces the likelihood of unknown bugs. **Open-Source Codebase** All core contracts and libraries are released under a permissive licence in a public repository. Anyone may audit or fork the code. Open sourcing boosts transparency and community-driven security.

Part A - Information about the offeror or the person seeking admission to trading

A.1	Name	N/A
A.2	Legal form	N/A
A.3	Registered address	N/A
A.4	Head office	N/A
A.5	Registration Date	N/A
A.6	Legal entity identifier	N/A

A.7	Another identifier required pursuant to applicable national law	N/A
A.8	Contact telephone number	N/A
A.9	E-mail address	N/A
A.10	Response Time (Days)	N/A
A.11	Parent Company	N/A
A.12	Members of the Management body	N/A
A.13	Business Activity	N/A
A.14	Parent Company Business Activity	N/A
A.15	Newly Established	N/A
A.16	Financial condition for the past three years	N/A
A.17	Financial condition since registration	N/A

Part B - Information about the issuer, if different from the offeror or person seeking admission to trading		
B.1	Issuer different from offeror or person seeking admission to trading	true
B.2	Name	Zora Labs, Inc.
B.3	Legal form	Corporation (Inc.)
B.4	Registered address	548 Market St, PMB 66875, San Francisco CA 94104, USA
B.5	Head office	110 Greene Street, Suite 803A, New York, NY 10012
B.6	Registration Date	2020-04-08
B.7	Legal entity identifier	N/A
B.8	Another identifier required pursuant to applicable national law	California's unique record: 4584204
B.9	Parent Company	N/A
B.10	Members of the Management body	N/A
B.11	Business Activity	Unknown

B.12	Parent Company Business Activity	N/A

Part C- Information about the operator of the trading platform in cases where it draws up the crypto-asset white paper and information about other persons drawing the crypto-asset white paper pursuant to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114

C.1	Name	Payward Global Solutions LTD
C.2	Legal form	N/A
C.3	Registered address	N/A
C.4	Head office	N/A
C.5	Registration Date	11-07-2023
C.6	Legal entity identifier of the operator of the trading platform	9845003D98SCC2851458
C.7	Another identifier required pursuant to applicable national law	N/A
C.8	Parent Company	N/A
C.9	Reason for Crypto-Asset White Paper Preparation	Kraken seeks admission to trading of the ZORA token so as to be compliant with MiCA and in keeping with its mission to make available for trading to its clients a wide range of assets.

C.10	Members of the Management body			
		Full Name	**Business Address**	**Function**
		Shannon Kurtas	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member
		Andrew Mulvenny	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member
		Shane O'Brien	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member
		Laura Walsh	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member
		Michael Walsh	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member

C.11	Operator Business Activity	PGSL is the operator of a Trading Platform for Crypto Assets, in accordance with Article 3(1)(18) of Regulation (EU) 2023/1114 (MiCA).
C.12	Parent Company Business Activity	Payward, Inc., a Delaware, USA corporation, is the parent company of a worldwide group of subsidiaries (the following paragraphs use the term "Payward" or "Payward Group" to refer to the group) collectively doing business as "Kraken." Payward's primary business is the operation of an online virtual asset platform that enables clients to buy and sell virtual assets on a spot basis, including the transfer of crypto-assets to and from external wallets. Payward, through its various affiliates, offers a number of other services and products, including: * A trading platform for futures contracts on virtual assets ("Kraken Derivatives"); * A platform for buying and selling NFTs; * An over-the-counter ("OTC") desk; * Extensions of margin to support spot trading of virtual assets; * A benchmark administrator; and * Staking services.

C.13	Other persons drawing up the crypto-asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	N/A
C.14	Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	N/A

Part D- Information about the crypto-asset project		
D.1	Crypto-asset project name	Zora
D.2	Crypto-assets name	Zora (ZORA)
D.3	Abbreviation	ZORA
D.4	Crypto-asset project description	Zora Network is a media-first Layer-2 built with the OP Stack and full Ethereum security to creators and collectors. It provides a permissionless protocol where anyone can mint, curate and trade digital content such as NFTs, open editions and "content coins" directly in a social feed that settles on-chain. By combining optimistic-rollup throughput with an open social graph, the project aims to establish a neutral marketplace for culture that empowers creators. The ZORA token is intended to fund community incentives, power tipping and curation rewards, and serve as the medium for future social-layer features once the incentive and reward smart contracts go live.

D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	Issuer / Developer Zora Labs, Inc., 548 Market St, PMB 66875, San Francisco CA 94104, USA. Core founders & executives: • Jacob Horne: Chief Executive Officer (CEO) & Co-Founder • LaDarius Goens: Chief Operating Officer (COO) & Co-Founder • Ethan Daya: Chief Technology Officer (CTO) & Co-Founder • Tyson Battistella: Co-Founder • Dai Hovey: Co-Founder • Slava Kim: Co-Founder
D.6	Utility Token Classification	false
D.7	Key Features of Goods/Services for Utility Token Projects	N/A
D.8	Plans for the token	**Key past milestones** • **May 2020** Founding of Zora Labs and release of the first on-chain auction-house contracts. • **June 2021** Platform opens permissionless NFT minting to creators. • **23 April 2025** Deployment of the **ZORA** ERC-20 contract on the Base network and free community airdrop of 1 billion tokens (10 % of supply). Please refer to the project team website for any further information regarding future milestones.
D.9	Resource Allocation	**Financial resources** Zora Labs, Inc. has raised about USD 62 million across three venture rounds: an undisclosed seed round in 2021, a USD 50 million round led by Haun Ventures in May 2022 and USD 2.62 million in additional seed funding filed in May 2024. **Token resources** At Genesis the project allocated 20 % to the treasury for long-term network maintenance and developer grants, 20 % to community-incentive programs,and 5 % to liquidity provisioning.
D.10	Planned Use of Collected Funds or Crypto-Assets	N/A

Part E - Information about the offer to the public of crypto-assets or their admission to trading

E.1	Public Offering or Admission to trading	ATTR
E.2	Reasons for Public Offer or Admission to trading	Making secondary trading available to the consumers on the Kraken Trading platform in compliance with the MiCA regulatory framework
E.3	Fundraising Target	N/A
E.4	Minimum Subscription Goals	N/A
E.5	Maximum Subscription Goal	N/A
E.6	Oversubscription Acceptance	N/A
E.7	Oversubscription Allocation	N/A
E.8	Issue Price	N/A
E.9	Official currency or other crypto-assets determining the issue price	N/A
E.10	Subscription fee	N/A

E.11	Offer Price Determination Method	N/A
E.12	Total Number of Offered/Traded crypto-assets	10 000 000 000 maximum supply
E.13	Targeted Holders	ALL
E.14	Holder restrictions	N/A
E.15	Reimbursement Notice	N/A
E.16	Refund Mechanism	N/A
E.17	Refund Timeline	N/A
E.18	Offer Phases	N/A
E.19	Early Purchase Discount	N/A
E.20	time-limited offer	N/A
E.21	Subscription period beginning	N/A
E.22	Subscription period end	N/A

E.23	Safeguarding Arrangements for Offered Funds/crypto-assets	N/A
E.24	Payment Methods for crypto-asset Purchase	N/A
E.25	Value Transfer Methods for Reimbursement	N/A
E.26	Right of Withdrawal	N/A
E.27	Transfer of Purchased crypto-assets	N/A
E.28	Transfer Time Schedule	N/A
E.29	Purchaser's Technical Requirements	N/A
E.30	crypto-asset service provider (CASP) name	N/A
E.31	CASP identifier	N/A
E.32	Placement form	NTAV

E.33	Trading Platforms name	N/A
E.34	Trading Platforms Market Identifier Code (MIC)	N/A
E.35	Trading Platforms Access	N/A
E.36	Involved costs	N/A
E.37	Offer Expenses	N/A
E.38	Conflicts of Interest	All listings decisions made by Payward Global Solution Ltd are made independently by staff of the entity in line with internal policies. PGSL publishes a conflicts of interest disclosure on its website advising of potential conflicts that may arise.
E.39	Applicable law	Any dispute relating to this white paper shall be governed by and construed and enforced in accordance with the laws of Ireland without regard to conflict of law rules or principles (whether of Ireland or any other jurisdiction) that would cause the application of the laws of any other jurisdiction, irrespective of whether ZORA tokens qualify as right or property under the applicable law.
E.40	Competent court	Any disputes or claims arising out of this white paper will be subject to the exclusive jurisdiction of the Irish courts.

Part F - Information about the crypto-assets

F.1	Crypto-Asset Type	ZORA is classified as a crypto-asset other than an asset referenced token or e-money token under MiCA, (EU) 2023/1114.
F.2	Crypto-Asset Functionality	ZORA is a fungible ERC-20 token issued on the Base network. Holders can freely send or receive ZORA in on-chain transfers that settle under Base's optimistic-rollup framework.

F.3	Planned Application of Functionalities	ZORA is primarily a fun, community token without governance or ownership rights. It may be used in the Zora app for tipping, rewards and as a medium of exchange, but these features are not guaranteed and carry no intrinsic value or rights.

A description of the characteristics of the crypto-asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article

F.4	Type of white paper	OTHR
F.5	The type of submission	NEWT
F.6	Crypto-Asset Characteristics	ZORA allows holders to access platform services freely transferable, and fully fungible; all associated usage rights and obligations follow the token upon transfer.
F.7	Commercial name or trading name	Zora Labs
F.8	Website of the issuer	https://zora.co/
F.9	Starting date of offer to the public or admission to trading	2025-04-23
F.10	Publication date	2025-07-10
F.11	Any other services provided by the issuer	N/A

F.12	Identifier of operator of the trading platform	PGSL
F.13	Language or languages of the white paper	English
F.14	Digital Token Identifier	Not available
F.15	Functionally Fungible Group Digital Token Identifier	N/A
F.16	Voluntary data flag	Mandatory
F.17	Personal data flag	true
F.18	LEI eligibility	N/A
F.19	Home Member State	Ireland
F.20	Host Member States	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden

Part G - Information on the rights and obligations attached to the crypto-assets

G.1	Purchaser Rights and Obligations	Transferability and Trading: Holders have the ability to transfer their ZORA tokens to others (on-chain) or to trade them on available markets at will.

		Obligations of Holders: There are no mandatory obligations imposed on ZORA purchasers. Holding ZORA does not entitle any governance rights or equity ownership in Zora or its products
G.2	Exercise of Rights and obligations	A holder exercises the right of transfer by submitting an on-chain transaction from any Base-compatible wallet; the transaction is subject to payment of Base network gas fees in ETH.
G.3	Conditions for modifications of rights and obligations	The rights and obligations attached to ZORA as described in this white paper reflect information available at the time of issuance. This white paper is issued by Kraken and does not constitute a commitment or guarantee by Zora or any other party regarding future modifications. No promises, warranties, or assurances are made herein regarding future token functionality, and this section is provided solely for informational purposes.
G.4	Future Public Offers	N/A
G.5	Issuer Retained Crypto-Assets	The issuer's treasury allocation equals 20 % or 2 000 000 000 ZORA. Furthermore, 18,9% or 1 890 000 000 ZORA is allocated to the team.
G.6	Utility Token Classification	false
G.7	Key Features of Goods/Services of Utility Tokens	false
G.8	Utility Tokens Redemption	N/A
G.9	Non-Trading request	This white paper reflects a request to admit the token to trading.
G.10	Crypto-Assets purchase or sale modalities	N/A

G.11	Crypto-Assets Transfer Restrictions	Kraken may, in accordance with applicable laws and internal policies and terms, impose restrictions on buyers and sellers of these tokens.
G.12	Supply Adjustment Protocols	false
G.13	Supply Adjustment Mechanisms	N/A
G.14	Token Value Protection Schemes	false
G.15	Token Value Protection Schemes Description	N/A
G.16	Compensation Schemes	false
G.17	Compensation Schemes Description	N/A
G.18	Applicable law	Any dispute relating to this white paper shall be governed by and construed and enforced in accordance with the laws of Ireland without regard to conflict of law rules or principles (whether of Ireland or any other jurisdiction) that would cause the application of the laws of any other jurisdiction, irrespective of whether ZORA tokens qualify as right or property under the applicable law.
G.19	Competent court	Any disputes or claims arising out of this white paper will be subject to the exclusive jurisdiction of the Irish courts.

Part H – information on the underlying technology

H.1	Distributed ledger technology	ZORA is implemented on Base. Base is a public, EVM-compatible Layer 2 blockchain built on the Optimism stack and secured by Ethereum, using optimistic rollups for scalability.
H.2	Protocols and technical standards	The ZORA token is based on the Base protocol, which utilizes Distributed-Ledger Technology. This protocol provides the foundation for secure transactions and smart contracts. The ERC-20 standard is a technical protocol for issuing and managing tokens, ensuring that the ZORA token is compatible with most wallets, exchanges, and decentralized applications (DApps).
H.3	Technology Used	The ZORA token uses the existing ERC-20 fungible token standard on Base.
H.4	Consensus Mechanism	Base leverages optimistic rollups to scale Ethereum. ZORA transactions are executed off-chain and submitted to Ethereum in batches, with finality usually taking 20-30 minutes. Transactions on Base typically confirm in about 2 seconds.
H.5	Incentive Mechanisms and Applicable Fees	ZORA relies on the existing incentive mechanisms and fee structures of the Base blockchain.
H.6	Use of Distributed Ledger Technology	False
H.7	DLT Functionality Description	N/A
H.8	Audit	False
H.9	Audit outcome	N/A
Part J - Information on the suitability indicators in relation to adverse impact on the climate and other environment-related adverse impacts		
S.1	Name	Payward Global Solutions Limited
S.2	Relevant legal entity identifier	9845003D98SCC2851458

S.3	Name of the crypto-asset	ZORA
S.4	Consensus Mechanism	Base is a Layer-2 (L2) solution on Ethereum that was introduced by Coinbase and developed using Optimism's OP Stack. L2 transactions do not have their own consensus mechanism and are only validated by the execution clients. The so-called sequencer regularly bundles stacks of L2 transactions and publishes them on the L1 network, i.e. Ethereum. Ethereum's consensus mechanism (Proof-of-stake) thus indirectly secures all L2 transactions as soon as they are written to L1.
S.5	Incentive Mechanisms and Applicable Fees	Base is a Layer-2 (L2) solution on Ethereum that uses optimistic rollups provided by the OP Stack on which it was developed. Transaction on base are bundled by a, so called, sequencer and the result is regularly submitted as an Layer-1 (L1) transactions. This way many L2 transactions get combined into a single L1 transaction. This lowers the average transaction cost per transaction, because many L2 transactions together fund the transaction cost for the single L1 transaction. This creates incentives to use base rather than the L1, i.e. Ethereum, itself. To get crypto-assets in and out of base, a special smart contract on Ethereum is used. Since there is no consensus mechanism on L2 an additional mechanism ensures that only existing funds can be withdrawn from L2. When a user wants to withdraw funds, that user needs to submit a withdrawal request on L1. If this request remains unchallenged for a period of time the funds can be withdrawn. During this time period any other user can submit a fault proof, which will start a dispute resolution process. This process is designed with economic incentives for correct behaviour.
S.6	Beginning of the period to which the disclosure relates	2024-05-28
S.7	End of the period to which the disclosure relates	2024-05-28
S.8	Energy consumption	76.06905 kWh/a
S.9	Energy consumption sources and methodologies	The energy consumption of this asset is aggregated across multiple components: To determine the energy consumption of a token, the energy consumption of the network(s) base is calculated first. For the energy consumption of the token, a fraction of the energy consumption of the network is attributed to the token, which is determined based on the activity of the crypto-asset within the network. When calculating the energy consumption, the Functionally Fungible Group

| | | Digital Token Identifier (FFG DTI) is used - if available - to determine all implementations of the asset in scope. The mappings are updated regularly, based on data of the Digital Token Identifier Foundation. The information regarding the hardware used and the number of participants in the network is based on assumptions that are verified with best effort using empirical data. In general, participants are assumed to be largely economically rational. As a precautionary principle, we make assumptions on the conservative side when in doubt, i.e. making higher estimates for the adverse impacts. |