



Blockworks

Token Transparency Framework

A Score Of 35-40: indicates that the project has fully disclosed its revenue streams, equity to token holder rights, advisory service providers, and executive team personnel. Its token supply and allocation are characterized by transparent, onchain vesting with fair, well-documented distributions that align incentives between insiders and retail investors. Furthermore, the project has possibly shared comprehensive details on prior OTC rounds, committed to disclosing all material related-party transactions, and thoroughly explained its CEX and market-maker agreements. This score reflects a commitment to producing regular quarterly updates for token holders regarding financials, revenue streams, and operational progress.

A Low Score Below 25: A low overall score would indicate significant deficiencies and a lack of transparency across multiple critical areas. This would stem from opaque leadership, uncertain equity and token holder rights, and a heightened risk of a key person event negatively impacting the project. Such a score would suggest issues like undisclosed wallets, unclear vesting schedules, undeclared distributions from the Token Generation Event (TGE), and no clarity surrounding any new token launches. The project may have chosen not to disclose, or partially disclosed, critical information about prior OTC rounds, related-party transactions, and its agreements with centralized exchanges (CEXs) or market makers. Finally, the project possibly demonstrated little to no commitment to providing regular quarterly updates to its token holders concerning its financial health, revenue streams, and operational progress.

Project and Team: (Out Of 10) Reviews the people, governance structure, and conflict-of-interest controls that drive the protocol's day-to-day decisions.

- A max score indicates revenue streams, equity to token holder rights, advisory service providers, and personnel on the executive team are fully disclosed.
- A low score flags opaque leadership, uncertain equity to token holder distinctions, and heightened risk of a key person event.

Token Supply and Allocation: (Out Of 18) Assesses total supply, vesting schedules, and how tokens are distributed among insiders, the community, and the treasury.

- A max score signals transparent, onchain vesting with fair, well-documented allocations that align incentives between insiders and retail.
- A low score points to hidden wallets, unclear schedules, undeclared TGE distribution, and no clear future plans on new token launches.

Transactions & Market Structure: (Out Of 7) Examines trading liquidity, CEX and market-maker agreements, and related-party transactions that could influence price discovery.

- A max score displays that the protocol has shared details on prior OTC rounds, committed to disclosing material related party transactions, and generally explained CEX/MM agreements.
- A low score reveals that the protocol chose not to disclose or partially disclosed OTC rounds, related party transactions, and CEX/MM agreements.

Financial Disclosure: (Out Of 5) Looks at the reporting standards of the project's financials and operations

- A max score reflects a commitment to producing quarterly updates to token holders regarding financials, revenue streams, and operations.
- A low score means little commitment was made to produce quarterly updates on financials and operations.

Token Transparency Framework

Horizen, August 2025

Blockworks Official Audited Score: 37/40

TTF Preparer: tlogs.eth (Director Of Finance Horizen) & Josh Adams
(Serotonin)

Date of Audit: 08/06/25

1. Project and Team

1. A) Description of Project

Definition: A narrative description of the purpose of the project and its operation in layman's terms is provided.

Weighting

- 0: A simple description is not provided.
- 1: A simple description is provided.

Submitted Response: Horizen is a privacy-first appchain built to make privacy simple, powerful, and accessible for everyday apps. With upgraded tokenomics, ZEN brings better liquidity, lower costs, and seamless access to privacy tools across Base and the Ethereum ecosystem.

Score Received: 1/1

1. B) Disclosure of Revenue Streams

Definition: A narrative description of the Project's primary sources of revenue is provided, broken out by entity (e.g. Foundation, Labs, DAOs, or other).

Weighting

- 0: A simple description is not provided.
- 2: A simple description is provided.

Submitted Response: Foundation – Per zenIP 42407, Horizen Foundation will receive a total of 2m ZEN over four years to bootstrap its long-term operations. 500k ZEN was made available upon Horizen’s migration to Base in July 2025, with the remainder unlocking in equal monthly installments over the next four years. Horizen Foundation deploys its idle capital to support ZEN capital markets and produce yield to fund the Foundation’s operational runway.

DAO - Per zenIP 42407, Horizen DAO will receive a total of ~3m ZEN over four years to bootstrap its treasury. 750k ZEN was made available upon Horizen’s migration to Base in July 2025, with the remainder unlocking in equal monthly installments over the next four years. With the passing of zenIP 42411, Horizen DAO authorized the deployment of its idle capital to support ZEN in deFi and diversify the DAO treasury between ZEN, BTC, ETH, and stable coins. By utilizing automated LP strategies, Horizen DAO earns yield on the rebalancing of its treasury.

2m of the total ZEN allocated to Horizen DAO is earmarked for the ‘ZEN Sustainability Initiative (SI).’ This allocation will fund investments in Horizen ecosystem projects with the potential of producing long-term revenue streams for the DAO. The intent is for the ZEN SI to create an ‘ever-green’ ecosystem funding vehicle.

DevCo. – The DevCo. has a master services agreement with the Horizen Foundation to build and maintain various Horizen network and community infrastructure. The work done under the Labs Co. MSA was historically more extensive when Horizen existed as a layer-1 blockchain with an EVM sidechain (Horizen EON).

With the launch of the Horizen on Base, The Labs Co. is transitioning to a product-centric revenue model focused on the development of dApps on Horizen.

Score Received: 2/2

1. C) Equity-Token Relationship

Definition: The Project must clearly disclose the rights, value accrual mechanisms, and distinctions between token holders and DevCo equity holders. Any value allocated specifically to equity holders (e.g., dividends, profit-sharing) must be communicated separately from value accruing to token holders.

Weighting

- 0: Rights and value mechanisms are unclear or undisclosed, or there is no distinction between token and equity holders.
- 1.5: Rights, value accrual, and differences between token and equity holders are clearly and explicitly defined with the constraints of existing regulations.

- 3: Rights, value accrual, and differences between token and equity holders are clearly and explicitly defined with the constraints of existing regulations. Team makes specific representations like "We do not plan to return cash flow to equity through including through dividends and share repurchases" or identifies that the Development Entity is not for profit.

Submitted Response: Token holders have no ownership or governance rights in the DevCo. Their rights and potential value derive solely from their participation in the token ecosystem, or other forms of utility that may drive demand or usage for the token.

No value (e.g., dividends or profit sharing) is accrued to equity holders of the DevCo, and any excess cash or revenue would flow into the non-profit Foundation for the purposes of growing the token and its utility.

While the Foundation may use token-based revenue to pay Horizen Labs for development work, this is a contractual service-provider relationship which does not accrue to DevCo equity holders via the token. Equity holders of the DevCo may benefit from its commercial success (such as profits or a future sale of the business), but that value does not flow to token holders.

Score Received: 3/3

1. D) Disclosure of Advisory Billings to the Foundation

Definition: If core team members are compensated by any Tokens allocated to the Foundation through advisory services or similar agreements, or by any other payment method (i.e. fiat), these payments must be disclosed. Note, foundation team members known and exclusively compensated by the Foundation are excluded.

Weighting

- 0: No acknowledgment or visibility of advisory payments from Advisory.
- 1.5: Advisory payments are mentioned, but details (amount, recipient, services) are unclear or incomplete.
- 3: All advisory payments to insiders are fully disclosed, including the recipient, scope, and amount.

Submitted Response: No core team members are compensated by any Tokens allocated to the Foundation through advisory services or similar agreements. Upon migration to Base in July '25, the Horizen Foundation was allocated a total of 2m ZEN. 500k unlocked at migration and the remainder vests linearly over 48 months.

Score Received: 3/3

1. E) Known Project Team

Definition: The identities of key team members (e.g., founders, CEO, CTO, COO of Labs, President of Foundation, etc.) are publicly disclosed.

Weighting

- 0: No method to verify or prove the identities of key team members
- 1: A Method to verify or prove the public identities of key team members is provided.

Submitted Response:

Horizen Foundation

Glenn Kennedy - President

Rolf Versluis - CO-FOUNDER & Dev Growth Lead

Horizen Labs

Rob Viglione - CO-FOUNDER & CEO

Rosario Pabst - CHIEF OPERATING OFFICER

Zain Cheng - CHIEF TECHNOLOGY OFFICER

Andy Bryant - CHIEF STRATEGY OFFICER

Score Received: 1/1

2. Token Supply and Allocation

2. A) Governance & Token Documentation Provided

Definition: The Project must provide publicly accessible documentation covering the Token's governance rights, rights to value accrual, any additional utility, and the mechanism by which token governance is implemented (e.g. an insider multi-sig).

Weighting

- 0: None of the three areas are documented.
- 0.5: Not all three areas are documented.
- 1: All three areas are clearly documented.

Submitted Response: All three criteria are included in:
<https://docs.horizen.io/governance/overview/constitution>

Score Received: 1/1

2. B) Initial Allocation

Definition: Disclosed information explaining the launch and initial supply that includes: the total number of tokens issued, the category of the recipient (team, investor, foundation, community), the total supply of the token and if it is capped, and the initial vesting schedule.

Weighting

- 0: No initial allocation schedule is provided.
- 1: An initial allocation schedule is provided, but some information is absent.
- 2: A complete initial allocation schedule is provided.

Submitted Response: Horizen had a fair-launch token in 2017 with no founder allocations, team allocations, ICOs, or private sales. With its origins as a fork of the Zcash codebase, Horizen began as a proof-of-work layer-1 blockchain. Thus there was no initial supply of ZEN nor pre-launch grants to any entity (team, investor, foundation, community). The first ZEN were emitted with the mining of the first block. During the PoW phase, ZEN block rewards were split between ecosystem participants.

Score Received: 2/2

2. C) Vesting Insider Tokens

Definition: All Insider Token allocations (team, investor, foundation) must be transparent, per the disclosed Initial Allocation. If vesting occurs at a custodian, clearly disclose the employee categories and associated vesting schedules clearly in your documentation.

Weighting

- 0: None of the these areas are clearly documented.
- 1: Some of these areas are clearly documented.
- 2: Most of these areas are clearly documented.
- 3: All areas are clearly documented.

Submitted Response: Horizen had a fair-launch token in 2017 with no founder allocations, team allocations, ICOs, or private sales. With its origins as a fork of the Zcash codebase, Horizen began as a proof-of-work layer-1 blockchain. Thus there was no initial supply of ZEN nor pre-launch grants to any entity (team, investor, foundation, community). The first ZEN were

emitted with the mining of the first block. During the PoW phase, ZEN block rewards were split between ecosystem participants.

Score Received: 3/3

2. D) Labelled Unissued Token Wallets

Definition: Addresses that hold any Unissued Tokens (e.g. foundation, future contributors, treasury) must be publicly labelled (address listed in docs) and be held in distinct wallets. This includes the foundation allocation. The party (e.g. team, foundation, DAO) that controls the funds must also be disclosed.

Weighting

- 0: No wallets labeled. No ownership disclosure.
- 1.5: Some wallets are labeled, but the info is partial, unclear, or outdated. Categories may overlap.
- 3: 100% of relevant wallets are labeled and verifiable, with wallet ownership disclosed.

Submitted Response: See below for key ecosystem wallets on Base

DAO Treasury Wallet - 0x4eE5979612066AC58edd3bB1Fd9bd6E0A55edAf1

Foundation Treasury Wallet - 0x57Ea5Db2f794f4FeA8cd4E3F3135B12ecE24bEa4

Foundation Ops Wallet - 0x2dCe406A45e264c2D171Bc4f8b4F34207643839D

Score Received: 3/3

2. E) Airdrop Process

Definition: The project must disclose all airdrop eligibility criteria clearly and provide a full CSV list of recipients, including addresses and amount received.

Weighting

- 0: Airdrop process is opaque or arbitrary.
- 1: Some criteria are disclosed, but details are incomplete, unclear, or hard to access. The recipient list may be provided, but not in an auditable format.
- 2: All criteria are fully disclosed, and the recipient list is clear, accessible, and auditable.

Submitted Response: There were no airdrops for \$ZEN. All \$ZEN tokens were previously distributed via PoW mining and public purchasing. Post migration to Base, 25% of the remaining token supply will be minted for the community, with the rest subject to a linear vesting period over 48 months. This structure is designed to promote prudent spending over time and to help

stabilize ZEN's value. Emission schedule:

<https://mirror.xyz/horizenofficial.eth/wZY9WrXuAcwVW48gOIfnLEwvf6yz5uVE0BJFWCk6DEg>

Score Received: 2/2

2. F) Locked Staking Reward to Insiders

Definition: Disclose information on insiders (Team, Investors, Foundation, Advisors) tokens that are locked and can earn rewards.

Weighting

- 0: None of these areas are clearly documented.
- 1.5: Some of these areas are clearly documented.
- 3: All areas are clearly documented.

Submitted Response: Horizen does not have any locked staking rewards to insiders.

<https://mirror.xyz/horizenofficial.eth/wZY9WrXuAcwVW48gOIfnLEwvf6yz5uVE0BJFWCk6DEg>

Score Received: 3/3

2. G) Future Token Issuance

Definition: The project commits that any future token issuance (e.g., minting or emissions outside scheduled vesting) will be publicly disclosed and justified on an official platform (e.g., governance forum, blog, or docs).

Weighting

- 0: No public disclosure of token issuance.
- 1: Issuance is announced but lacks detail, is disclosed late, or is not in a permanent, verifiable location.
- 2: All token issuances are disclosed before or at issuance with full details (amount, reason, recipient, context) in an official, permanent public channel.

Submitted Response: We commit to providing updates if future token issuances change. All vesting is to publicly disclosed wallets per a schedule approved by ZEN holders.

Score Received: 2/2

2. H) Future & Related Token Launches

Definition: The team discloses all tokens launched by its key team members in the past and explicitly lays out its philosophy around launching new tokens, related to the project or otherwise. (e.g. "We do not plan to launch additional tokens" or "Any additional tokens will be given 1:1 to existing token holders who can then vote on proposals submitted by the management team.")

Weighting

- 0: Language around new tokens is vague, non-committal, or missing entirely.
- 1: Plans around additional tokens are defined clearly. The team explains its past reasoning around token transactions and bridges from these transactions to its existing policy.
- 2: The Team represents that it will not launch additional tokens.

Submitted Response: Related to Horizen is zkVerify, a blockchain protocol to verify zero-knowledge proofs and provide onchain attestation to any EVM blockchain where the zkVerify smart contract is deployed, including Horizen.

zkVerify mainnet will launch in September 2025 and have a TGE (token generation event) of \$VFY tokens. Some distribution of \$VFY tokens will be made to \$ZEN token holders and the Horizen Foundation, with details remaining to be determined.

Score Received: 1/2

3. Transactions & Market Structure

3. A) Insider & Related Person Transactions

Definition: The project commits to disclosing any material Related Party & Insider Transaction within 30 days and includes: The nature of the transaction, the Related Person, the basis on which the person is a Related Person, and the number of tokens involved in the transaction. This includes tokens issued by the foundation.

Weighting

- 0: The project does not commit to disclosing related party transactions within 30 days.
- 3: The project commits to disclosing related party transactions within 30 days.

Submitted Response: The project commits to disclosing related party transactions within 30 days.

Score Received: 3/3

3. B) Prior Token Sales & Fundraising

Definition: Disclosed information of previous fundraising rounds, material OTC rounds to investors, or discounted market maker sales involving the Project and its Token that includes: the date of sale, number of tokens sold, and the vesting schedule of these tokens. The Project commits to disclosing any material OTC deal involving token sales and purchases by the foundation within 30 days.

Weighting

- 0: No prior sales are disclosed.
- 1: All prior sales are disclosed, but terms are absent.
- 2: All prior sales are disclosed with terms provided.

Submitted Response: Horizen had a fair launch in 2017 with no team allocations, no founder allocations, and no private token sale.

Score Received: 2/2

3. C) Transparent Market Maker Deals & Exchange Listings

Definition: Projects must disclose key details of market making and centralized exchange agreements affecting token liquidity, including: names of all market makers & centralized exchanges involved, the token allocation for each (as % of total supply), and the duration of each agreement.

Weighting

- 0: No public information on market makers (MM) or centralized exchanges (CEX)
- 1: Some MM or/and CEX details are disclosed, but not all three elements are provided.
- 2: All three key elements are fully disclosed for MM & CEX.

Submitted Response: The Horizen Foundation has worked with several providers such as Auros and Wintermute in the past. Currently there is a 50k ZEN token loan open with G-20 Foundation which expires October 22nd 2025. In addition the Foundation has a weekly ladder of 90-day call options with Lhava totaling 180k ZEN expiring Nov 5th - Dec 5th, 2025.

Score Received: 2/2

4. Financial Disclosure

4. A) Disclosure of Assets and Cash Flow

Definition: The Project commits to providing updates to token holders on a quarterly basis via forum posts, live dashboards, or reports that cover core project KPIs, changes to Token supply or allocations, and disclosure of top line revenue and expenses. The Project may engage third-party contractors to prepare and deliver these updates.

Weighting

- 0: The project does not commit to disclosing Token Holder Relations Reports.
- 3: The project commits to disclosing Token Holder Relations Reports.

Submitted Response: We will continue to disclose quarterly Token Holder Relations Reports.

Score Received: 3/3

4. B) Public Token Holder Relations Reports

Definition: The foundation's assets or working capital are held onchain and publicly labelled, providing the ability to track asset holdings, revenue, and expenses. Or, the foundation publishes a quarterly, publicly available financial report of its assets, working capital, revenue and expenses.

Weighting

- 0: Foundation wallets are not publicly labeled.

- 1: Treasury wallets are tagged, but revenue and expense flows are incomplete or fragmented.
- 2: Wallets that touch any assets and revenue streams are labelled onchain, with clear, traceable expenses. Quarterly reports detailing assets, revenue, and expenses are provided.

Submitted Response: Please refer to 2.D for treasury wallets

Score Received: 1/2