Merlin Chain (MERL)
White paper

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

N	Field	Content
0	Table of content	

01	Date of notification	2025-07-14
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.

<table>
<tr><td colspan="3">Summary</td></tr>
<tr><td>07</td><td>Warning in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114</td><td>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.</td></tr>
<tr><td>08</td><td>Characteristics of the crypto-asset</td><td>MERL is the native token of the Merlin Chain, designed for use within the Merlin Chain ecosystem. It serves multiple purposes including securing the network through staking, enabling decentralized governance, and paying transaction fees across the Merlin Layer-2 and Layer-3 chains. Holders can delegate MERL to node operators or participate directly in staking to support sequencer and oracle operations. MERL is also intended to be used as a governance token, allowing holders to vote on protocol upgrades and ecosystem decisions, although full governance functionality is not yet active as of July 2025.

MERL has a maximum supply of 2 100 000 000 which was distributed as follows:
<table>
<tr><th>Category</th><th>Allocation</th></tr>
<tr><td>Ecosystem Incentives</td><td>40%</td></tr>
<tr><td>Early Merlin's Seal Stakers</td><td>20%</td></tr>
<tr><td>Community Rewards</td><td>16,57%</td></tr>
<tr><td>Private Investors</td><td>15,23%</td></tr>
<tr><td>Core Team</td><td>4,2%</td></tr>
<tr><td>Advisors</td><td>3%</td></tr>
<tr><td>Public Launchpad</td><td>1%</td></tr>
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</td></tr>
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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 MERL 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 MERL, is subject to general risks inherent to the broader cryptocurrency market. **Market Volatility** The value of MERL 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**.**
I.2	Issuer-Related Risks	**Financial Stability & Dependence on Token Allocation** Merlin Chain is in its early stages of network expansion and ecosystem growth. It is not yet a revenue-generating project and relies heavily on funds raised through private rounds and token allocations for future operations. If these resources are insufficient, misallocated, or subject to delays in vesting, the

		project's ability to maintain its infrastructure, support developers, or incentivize adoption could be impaired. **Legal and Regulatory Compliance** Merlin Chain must navigate a dynamic and evolving regulatory environment across multiple jurisdictions. This includes compliance with financial services laws, securities regulations, and anti-money laundering requirements. Adverse regulatory changes or enforcement actions could disrupt operations, restrict access to markets, or require significant changes to the network architecture or governance processes. **Internal Governance and Operational Risks** The project's development and treasury functions are currently managed by the core team behind Bitmap Technology. Any shortcomings in internal governance could lead to delays, reputational harm, or mismanagement of critical systems and resources. **Key Personnel Risk** Merlin Chain's development and vision are closely tied to its founder, Jeff Yin, and a small team of technical contributors. The departure of any key personnel, or failure to attract and retain experienced developers, cryptographers, and infrastructure engineers, could affect the network's progress and ecosystem support.
I.3	Crypto-Assets-related Risks	**Market Volatility** The crypto-asset market is subject to significant price volatility, which may affect the value of MERL. 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. MERL 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 If the project fails to achieve its goals, adoption and usage may be lower than expected. This could reduce the token's utility and overall 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	**Development Timeline and Execution Risk** Merlin Chain has outlined an ambitious roadmap, including Layer-2 and Layer-3 scaling solutions, BTC-native staking mechanisms, and an omnichain infrastructure. If these developments are delayed, underdelivered, or experience technical challenges, the utility and perceived value of MERL may be negatively impacted. Execution risks are heightened by the complexity of zkEVM rollups, oracle-based fraud proofs, and cross-chain integrations. **Ecosystem Growth and User Adoption** MERL's utility is closely tied to the growth of the Merlin ecosystem. This includes the number of dApps deployed, volume of BTC bridged into the network, and engagement in governance and staking. If developers, users, or liquidity providers fail to adopt the network as expected, demand for MERL could remain limited, affecting price stability and network participation.
I.5	Technology-Related Risks	**Smart contract risks** MERL 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** MERL operates on a public blockchain infrastructure, which is maintained by a decentralized network of participants. The functionality and reliability of the crypto-asset are dependent on the performance and security of the underlying blockchain. Risks may include network congestion, high transaction fees, delayed processing times, or, in extreme cases, outages and disruptions. Additionally, vulnerabilities or failures in the consensus mechanism, attacks on the network (e.g., 51% attacks), or protocol-level bugs could impact the operation and availability of MERL. **Risk of Cryptographic Vulnerabilities** Technological advancements, such as quantum computing, could pose potential

		risks to cryptocurrencies. **Privacy** Transactions involving MERL 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. 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	**Validator Incentives and Slashing** The Merlin network uses BTC staking to secure consensus among sequencer and oracle nodes. Misbehavior by validators is subject to slashing, which serves as a forward-looking mitigation mechanism to deter malicious activity and promote honest behavior across the network. **Use of Established Standards** MERL is implemented using the widely adopted ERC-20/BEP-20 standard on an EVM-compatible chain. This reduces the likelihood of unknown vulnerabilities by relying on well-audited token specifications commonly used across the blockchain industry.
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	Bitmap Tech, Inc
B.3	Legal form	Not available
B.4	Registered address	Not available
B.5	Head office	Not available
B.6	Registration Date	2023, exact date is not publicly available
B.7	Legal entity identifier	Not available
B.8	Another identifier required pursuant to applicable national law	Not available
B.9	Parent Company	N/A
B.10	Members of the Management body	Not available
B.11	Business Activity	Not available

B.12	Parent Company Business Activity	Not available
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	2023-07-11
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 MERL 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.

<table>
<tr>
<td>C.10</td>
<td>Members of the Management body</td>
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<table>
<tr><th>Full Name</th><th>Business Address</th><th>Function</th></tr>
<tr><td>Shannon Kurtas</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr>
<tr><td>Andrew Mulvenny</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr>
<tr><td>Shane O'Brien</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr>
<tr><td>Laura Walsh</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr>
<tr><td>Michael Walsh</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr>
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<td>C.11</td>
<td>Operator Business Activity</td>
<td>PGSL is the operator of a Trading Platform for Crypto Assets, in accordance with Article 3(1)(18) of Regulation (EU) 2023/1114 (MiCA).</td>
</tr>
<tr>
<td>C.12</td>
<td>Parent Company Business Activity</td>
<td>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:</td>
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		* 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	Merlin Chain
D.2	Crypto-assets name	N/A
D.3	Abbreviation	N/A
D.4	Crypto-asset project description	Merlin Chain is a Bitcoin Layer-2 network designed to scale native BTC assets and protocols through EVM compatibility, zero-knowledge proofs, and on-chain fraud prevention. Developed by Bitmap Tech, the project integrates a zkEVM rollup, decentralized oracle network, and BTC-based staking to extend the utility

		of Bitcoin without compromising its core principles. Merlin Chain enables fast, low-cost transactions while anchoring its state to the Bitcoin base layer for security. Its architecture allows users to bridge BTC into the network, use wrapped BTC for gas and transactions, and interact with Ethereum-style smart contracts. The chain also supports Layer-3 applications and account abstraction wallets for broader user accessibility. The network's native token, MERL, is used for governance, staking, and fee payments. Merlin aims to cultivate a BTC-native DeFi ecosystem and introduce incentive structures for developers and users through its 40% token allocation to grants and ecosystem initiatives.
D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	**Issuer / Developer** Merlin Chain is developed and maintained by Bitmap Tech, a blockchain development team known for its prior work on the BRC-420 protocol and Bitcoin Metaverse ecosystem. **Key individuals** Jeff Yin is the founder and project lead; responsible for the strategic direction and public representation of Merlin Chain
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	**Past milestones** 19 Jan 2024 Project announced by Bitmap Tech 26 Jan 2024 Public testnet goes live 8 Feb 2024 Mainnet launch and "Merlin's Seal" staking event announced 7 Jun 2024 Merlin Phantom AA wallet fully launched 14 Nov 2024 MERL accepted as gas in AA wallet 24 Jan 2025 Mainnet upgrade (Polygon CDK fork 9, Erigon RPC, zk-proof interface) 10 Feb 2025 PoS "Pre-stage" staking campaign (MERL staking live) **Future milestones** Merlin Chain has signalled forthcoming work on validator decentralisation, Layer-3 expansion, and additional ecosystem-grant programmes, but has not

		published firm dates. Stakeholders should monitor the official Milestone page for live updates.
D.9	Resource Allocation	Venture funding to date comprises two disclosed equity rounds: a Seed round (5 Feb 2024), followed by a Series A round (17 Apr 2024). Specific dollar amounts were not publicly released. Furthermore in the token allocation at genesis: 40% Ecosystem Grants & Incentives, 16,57% Community Rewards, 3% Advisors, 1% People's Launchpad are aimed to further develop the project.
D.10	Planned Use of Collected Funds or Crypto-Assets	**Ecosystem Grants** Liquidity mining, developer grants, hackathons, and other programmes designed to attract dApps and users to the Merlin Layer-2 and forthcoming Layer-3 environment **Community Rewards** Ongoing user-acquisition campaigns, airdrops, and community engagement initiatives. **Advisors** Token allotment for advisory services (legal, technical, BD). **People's Launchpad** Funds earmarked for operational expenses and ecosystem growth; exact USD proceeds were not publicly disclosed.
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	2 100 000 000 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	Payward Global Solutions Ltd t/a Kraken.com
E.34	Trading Platforms Market Identifier Code (MIC)	PGSL
E.35	Trading Platforms Access	Kraken.com
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 MERL 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	MERL 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	**Staking:** holders can lock MERL in the “Pre-stage PoS” contract to help secure validator operations and earn staking rewards. **Gas payment asset:** the Merlin Phantom account-abstraction wallet lets users choose MERL to pay network fees instead of bridged BTC. **Ecosystem incentive currency:** MERL is distributed through grants, liquidity-mining campaigns, and user-acquisition programmes to stimulate developer activity and liquidity on Merlin Chain.
F.3	Planned Application of Functionalities	**On-chain governance** Once governance contracts are deployed, MERL will provide voting power for protocol upgrades and treasury spending. **Main-stage Proof-of-Stake** The network plans to open validator participation and introduce MERL-denominated slashing; holders will be able to delegate or run validators directly. **Layer-3 gas support** Upcoming Merlin Layer-3 chains are expected to accept MERL natively for transaction fees, alongside bridged BTC.
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	MERL is a fungible BEP-20 token with 18 decimals, deployed on BNB Smart Chain. It has a fixed total supply of 2 100 000 000 tokens (no inflationary mint or automatic burn functions) and implements the standard ERC-20 interface. MERL is freely transferable between wallets and can be bridged 1:1 to its wrapped form on the Merlin Layer-2 network for in-protocol use
F.7	Commercial name or trading name	Bitmap Tech, Inc
F.8	Website of the issuer	https://merlinchain.io/
F.9	Starting date of offer to the public or admission to trading	2024-04-18
F.10	Publication date	2025-08-12
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	NW1M13H3L
F.15	Functionally Fungible Group Digital Token Identifier	N/A
F.16	Voluntary data flag	False
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, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, 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	**Right of Transfer** Holders may freely transfer MERL tokens, in whole or in part, to any compatible wallet or exchange. All associated rights move with the token upon transfer. **Network Participation** Holders may stake or delegate MERL in the “Pre-stage PoS” contract (and future main-stage PoS) to help secure the Merlin Chain network and earn staking rewards. **Governance (planned)** Once on-chain governance is activated, MERL will grant voting power to submit and vote on proposals affecting protocol upgrades and treasury allocations. **Fee Payment Option** Within the Merlin Phantom account-abstraction wallet and forthcoming Layer-3

		networks, holders may elect to pay transaction fees in MERL instead of bridged BTC. **Right to Trade:** MERL may be bought or sold on centralised or decentralised exchanges that have listed the token; trading is subject only to the standard rules and fees of each platform. There are no mandatory obligations imposed on purchasers beyond adherence to network rules and applicable law; MERL does not confer profit-sharing, redemption, or equity rights.
G.2	Exercise of Rights and obligations	**Transfer** A holder signs a standard BEP-20 transfer transaction; once it is confirmed on-chain, ownership (and all attached rights) moves to the new wallet address. **Trading** To buy or sell MERL, a holder uses any centralised or decentralised exchange that lists the token. On a CEX, trading follows the platform's order-book rules and may require KYC; on a DEX, the holder simply connects a compatible wallet and confirms a swap transaction. **Staking / Delegation (live "Pre-stage PoS")** A holder connects a wallet to the official staking dApp, chooses a validator (or delegation option), approves the amount, and submits a stake transaction. Unstaking requires an on-chain unstake call and observance of the contract's cooldown period. **Fee Payment** In the Merlin Phantom account-abstraction wallet, the user selects MERL in the gas-asset dropdown before sending a transaction; the wallet automatically deducts the required MERL and forwards the operation to the network. **Governance (planned)** Merlin Chain has stated that MERL will be used for on-chain governance once the relevant contracts are deployed. Specific voting procedures and weighting methods have not yet been published; details will be provided when governance goes live.
G.3	Conditions for modifications of rights and obligations	The rights and obligations attached to MERL 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 Merlin Chain 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	No future public offers for MERL have been announced.
G.5	Issuer Retained Crypto-Assets	The core development team holds 4,20 % of the total MERL supply. Until on-chain governance is active, the team also controls the Ecosystem Grants & Incentives pool (40 %), the Community Rewards pool (16,57 %), and the Advisors pool (3 %).
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 MERL 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	N/A
H.2	Protocols and technical standards	The MERL token is based on the BNB Chain protocol, which utilizes decentralized Distributed-Ledger Technology. This protocol provides the foundation for secure transactions and smart contracts. BEP20 Token Standard: The BEP20 standard is a technical protocol for issuing and managing tokens, ensuring that the MERL token is compatible with most wallets, exchanges, and decentralized applications (DApps).
H.3	Technology Used	The MERL token uses the existing BEP-20 fungible-token standard on the BNB Chain. Merlin Chain zkEVM Protocol: smart contracts on Merlin Chain are EVM-compatible roll-ups built with Polygon CDK; the native bridge maintains a

		1-to-1 mapping between the BEP-20 MERL on BNB Smart Chain and its representation on the Merlin Layer-2 network.
H.4	Consensus Mechanism	BNB Chain uses a Proof-of-Staked Authority (PoSA) mechanism, a hybrid of Delegated Proof of Stake and Proof of Authority, where a limited set of validators produce blocks based on BNB stake governance—achieving ~0.75-second block times for MERL transactions. On the Merlin Chain itself, blocks are produced by staked sequencers that run a Proof-of-Stake model: sequencer nodes stake assets, order transactions, generate zk-SNARK proofs, and post those proofs to Bitcoin L1 for settlement. A broader public validator set with slashing is planned as decentralisation progresses.
H.5	Incentive Mechanisms and Applicable Fees	MERL relies on the existing incentive mechanisms and fee structures of the BNB Chain. Merlin Chain: gas is paid in bridged BTC by default (or MERL via the Merlin Phantom AA wallet); sequencers and, later, PoS validators receive these BTC/MERL fees and staking rewards, subject to slashing for mis-behaviour.
H.6	Use of Distributed Ledger Technology	false
H.7	DLT Functionality Description	N/A
H.8	Audit	true
H.9	Audit outcome	January 2024; ScaleBit Audit (Bridge and zk-roll-up contracts) The security audit revealed: 0 critical issues 0 high issues 0 medium issues 1 minor issue (pending) 3 informational issues (pending)
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	Merlin
S.4	Consensus Mechanism	Merlin Chain employs a Zero-Knowledge Rollup (ZK-Rollup) architecture and additional mechanisms to ensure efficient, secure, and decentralized transaction processing; transactions are aggregated off-chain into a single cryptographic proof before submission to the Bitcoin mainnet, enhancing scalability and reducing costs while leveraging Bitcoin's security; a Data Availability Committee (DAC) manages off-chain data validity and accessibility, ensuring integrity and transparency in the ZK-Rollup process; a two-step Zero-Knowledge Proof submission mechanism allows miners to participate in proof generation and submission, decentralizing the security model and creating a stable computational environment.
S.5	Incentive Mechanisms and Applicable Fees	Merlin Chain's incentive model ensures fair compensation for validators and a transparent fee structure for users; validators earn rewards from transaction fees for securing the network and processing transactions on both Layer 2 (L2) and Layer 1 (L1); L2 fees cover the cost of executing transactions on Merlin Chain's Layer 2 network, while L1 security fees cover the cost of transmitting aggregated transaction data and ZK proofs to the Bitcoin mainnet for finalization; the gas fee model, similar to EVM-compatible chains, determines fees based on network usage and computational requirements, ensuring predictable and efficient fee allocation.
S.6	Beginning of the period to which the disclosure relates	2024-07-05
S.7	End of the period to which the disclosure relates	2025-07-05
S.8	Energy consumption	428501.91177 kWh/a
S.9	Energy consumption sources and methodologies	For the calculation of energy consumptions, the so called 'bottom-up' approach is being used. The nodes are considered to be the central factor for the energy consumption of the network. These assumptions are made on the basis of empirical findings through the use of public information sites, open-source crawlers and crawlers developed in-house. The main determinants for

		estimating the hardware used within the network are the requirements for operating the client software. The energy consumption of the hardware devices was measured in certified test laboratories. Due to the structure of this network, it is not only the mainnet that is responsible for energy consumption. In order to calculate the structure adequately, a proportion of the energy consumption of the connected network, bitcoin, must also be taken into account, because the connected network is also responsible for security. This proportion is determined on the basis of gas consumption. When calculating the energy consumption, we used - if available - the Functionally Fungible Group Digital Token Identifier (FFG DTI) to determine all implementations of the asset of question in scope and we update the mappings regulary, 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.