

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Bluefin (Blue)

Last updated on March 12, 2026

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading BLUE. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the [Risk Summary](#) for additional discussion of general risks associated with the assets made available in the 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 risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is Bluefin and how does it work?

Bluefin is a decentralized exchange (DEX) that focuses on perpetual contract trading. It aims to combine the liquidity and performance of centralized exchanges with the security and transparency of decentralized finance (DeFi). Built on the Sui blockchain, Bluefin leverages its infrastructure to offer low-latency and high-throughput trading, providing users with an institutional-grade trading experience while maintaining self-custody of assets.

The BLUE token is the native utility token of Bluefin. It is used within the ecosystem for staking and rewards, incentivizing participation from traders and liquidity providers. BLUE holders can stake their tokens to support the security and long-term growth of the protocol, while also earning rewards through various incentive programs.

Who is behind the project?

Bluefin is developed by Bluefin Labs Inc. and stewarded by the Bluefin Foundation. The protocol was co-founded in 2021 by Rabeel Jawaid (CEO) and Ahmed Jawaid (COO).

Tokenomics of BLUE

BLUE has a fixed maximum supply of 1 billion tokens, which were distributed as follows:

Category	Amount
User Incentives	32.5%
Strategic Participants	28%
Core Contributors	20%
Protocol Development	8.5%
Treasury	6.5%
Liquidity Reserve	4.5%

General Risks

Like all other digital assets, there are some general risks to investing in BLUE. These include short history risk, volatility risk, 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 BLUE

Competition

The Bluefin network faces competition from other cryptocurrencies such as dYdX, GMX and many others. Bluefin’s value derives from its broader adoption in the market. If the Bluefin network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of BLUE.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on BLUE and determined that BLUE is unlikely to be a security or derivative under UK 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 BLUE, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created BLUE;
- The supply, demand, maturity, utility and liquidity of BLUE;
- Material technical risks associated with BLUE, including any code defects, security breaches and other threats concerning BLUE 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 BLUE, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of BLUE, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organization of Securities Commissions, or the

regulator with the most significant connection to BLUE about whether BLUE, or generally about whether the type of crypto asset, is a security and/or derivative.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. [Take 2 mins to learn more.](#)

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