Unicorn Fart Dust (UFD)
White paper

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

N	Field	Content
0	Table of content	

		End of the period to which the disclosure relates 29 Energy consumption 29 Energy consumption sources and methodologies 30
01	Date of notification	2025-06-19
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	Unicorn Fart Dust (UFD) is a Solana-based fungible crypto-asset token. It is transferable on the Solana network and can be freely traded or held by participants. Its value derives solely from community adoption and market demand.
09	Key information about the quality and quantity of the goods or services to which the utility tokens give access	N/A
10	Key information about the offer to the public or admission to trading	Kraken seeks admission to trading of the UFD 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 UFD, is subject to general risks inherent to the broader cryptocurrency market. **Market Volatility:** The value of UFD 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.
I.2	Issuer-Related Risks	**Legal and Regulatory Risks:** Because the project is not operated by a registered company, there is no clear legal entity accountable for UFD. This could pose challenges if regulatory authorities seek compliance or if disputes arise, as holders might have limited recourse. Furthermore, changes in laws or enforcement could impact the project's ability to operate if it cannot meet regulatory requirements due to its decentralized structure. **Issuer (Founder) Risks:** The UFD project is spearheaded by a single individual, Ron Branstetter, with no supporting legal entity or formal organization. This presents significant key-person risk: the project's development, promotion, and continuity depend largely on the founder's personal involvement. If the founder becomes unable or unwilling to continue engagement, the project may lose momentum or direction. Additionally, as an individual-led initiative, the issuer's financial and operational resources are limited—there is no corporate treasury or dedicated team to support UFD's long-term development. There is also limited institutional oversight or internal control; decisions are made informally, potentially increasing governance risk. The founder's lack of prior crypto project experience may further heighten execution risk for any future initiatives. Moreover, security lapses affecting the issuer can directly impact the project: for instance, the founder's personal crypto wallet was hacked in January 2025, resulting in the theft of UFD tokens and other assets. Such issuer-related risks could adversely affect holder confidence and the ongoing viability of the project.

I.3	Crypto-Assets-related Risks	**Market Volatility:** The crypto-asset market is subject to significant price volatility, which may affect the value of UFD. 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. UFD 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	**Team Continuity Risk:** The project's progress depends on its contributors. If key community leaders leave the project or lose interest, there may be setbacks or discontinuation of certain project aspects.
I.5	Technology-Related Risks	**Smart contract risks:** UFD 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:**

		UFD 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 UFD. **Risk of Cryptographic Vulnerabilities:** Technological advancements, such as quantum computing, could pose potential risks to cryptocurrencies. **Privacy:** Transactions involving UFD 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 Standards:** UFD is implemented using a well-tested token standard, SPL on Solana, 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. **Transparency:** The UFD team (founder) has made a few public commitments aimed at risk mitigation and community trust. Notably, the founder pledged not to sell any of his personal UFD holdings for a period of at least three months from the project's launch, to avoid undermining the token's value through sudden insider sales. He also vowed not to create any additional tokens beyond the fixed 1 billion supply, which mitigates the risk of inflation or unexpected supply increase. Furthermore, the founder has emphasized transparency and frequent communication, appearing frequently on social media to inform the community of any developments. These actions are intended to maintain holder confidence and address concerns such as rug-pull scenarios or undisclosed changes.
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	Not available
B.3	Legal form	Not available
B.4	Registered address	Not available
B.5	Head office	Not available

B.6	Registration Date	Not available
B.7	Legal entity identifier	Not available
B.8	Another identifier required pursuant to applicable national law	Not available
B.9	Parent Company	Not available
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

<table>
<tr><td>C.5</td><td>Registration Date</td><td>11-07-2023</td></tr>
<tr><td>C.6</td><td>Legal entity identifier of the operator of the trading platform</td><td>9845003D98SCC2851458</td></tr>
<tr><td>C.7</td><td>Another identifier required pursuant to applicable national law</td><td>N/A</td></tr>
<tr><td>C.8</td><td>Parent Company</td><td>N/A</td></tr>
<tr><td>C.9</td><td>Reason for Crypto-Asset White Paper Preparation</td><td>Kraken seeks admission to trading of the UFD 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.</td></tr>
<tr><td>C.10</td><td>Members of the Management body</td><td>
<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>
</table>
</td></tr>
<tr><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>
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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	Unicorn Fart Dust

D.2	Crypto-assets name	Unicorn Fart Dust
D.3	Abbreviation	UFD
D.4	Crypto-asset project description	The Unicorn Fart Dust project is a community-driven crypto initiative on the Solana blockchain centered around the UFD token. It was launched as a meme-inspired token project, aiming to build a community and ecosystem around a fun and accessible digital asset. There is no formal company or foundation managing Unicorn Fart Dust; it is driven by Ron Branstetter.
D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	Ron Branstetter – Founder and sole developer/lead. Mr. Branstetter conceived and launched UFD, and he continues to oversee community engagement and any project decisions. There is no formal development team or advisory board; the founder interacts directly with the community and manages the project's direction.
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	Please refer to project team website for any further information regarding future milestone
D.9	Resource Allocation	The Unicorn Fart Dust project has not publicly detailed any specific financial resources allocated to the project. There was no traditional fundraising round (such as an ICO/ITO) for UFD, and no treasury or budget disclosures have been made. Any development or marketing efforts so far appear to be volunteer-driven or informally supported by community donations. As a result, there is no verified information on funds earmarked for project development, liquidity, or other purposes.

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	1 000 000 000 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 UFD 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	UFD 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	UFD is a standard SPL token on the Solana blockchain, which means its core functionality is to serve as a transferable and tradable digital asset. Holders of UFD can send and receive the token using Solana-compatible wallets, and use UFD in transactions or smart contracts that accept SPL tokens. Currently, its primary function is as a community and meme token for trading and holding.
F.3	Planned Application of Functionalities	There are currently no additional token functionalities pending activation or launch for UFD.
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	UFD is a fungible digital token with a fixed total supply of 1 000 000 000 that was defined at the time of its creation.
F.7	Commercial name or trading name	No dedicated commercial entity exists for the project.
F.8	Website of the issuer	https://unicornfartdust.com/
F.9	Starting date of offer to the public or admission to trading	2024-12-17

F.10	Publication date	2025-07-17
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, Iceland, Liechtenstein, Norway

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 UFD tokens to others (on-chain) or to trade them on available markets at will. **Obligations of Holders:** There are no mandatory obligations imposed on UFD purchasers.
G.2	Exercise of Rights and obligations	The primary right associated with UFD – the ability to transfer or trade the token – is exercised through standard blockchain transactions.
G.3	Conditions for modifications of rights and obligations	The rights and obligations attached to UFD 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 Unicorn Fart Dust 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	The Unicorn Fart Dust project has not planned any future public offerings of the UFD token.
G.5	Issuer Retained Crypto-Assets	Not available
G.6	Utility Token Classification	false
G.7	Key Features of Goods/Services of Utility Tokens	N/A
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 UFD 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	UFD is implemented on the Solana network. Solana is a public blockchain that uses a combination of Proof-of-Stake (PoS) and Proof-of-History (PoH) for consensus. This technology ensures that UFD transactions can be recorded, validated, and secured in a decentralized manner.
H.2	Protocols and technical standards	The UFD token is based on the Solana network, which utilizes decentralized Distributed-Ledger Technology. This protocol provides the foundation for secure transactions and smart contracts. SPL Token Standard: The SPL standard is a technical protocol for issuing and managing tokens, ensuring that the UFD token is compatible with most wallets, exchanges, and decentralized applications (DApps).
H.3	Technology Used	The UFD token uses the existing SPL token standard on Solana.
H.4	Consensus Mechanism	Solana uses Proof-of-Stake with Tower BFT and Proof-of-History, where leaders are pre-selected by stake and transactions, including UFD transfers, receive sub-second confirmation and high throughput.
H.5	Incentive Mechanisms and Applicable Fees	UFD relies on the existing incentive mechanisms and fee structures of the Solana 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	unicorn_fart_dust
S.4	Consensus Mechanism	Solana uses a unique combination of Proof of History (PoH) and Proof of Stake (PoS) to achieve high throughput, low latency, and robust security. Core Concepts: 1. Proof of History (PoH): - Time-Stamped Transactions: PoH is a cryptographic technique that timestamps transactions, creating a historical record that proves that an event has occurred at a specific moment in time. - Verifiable Delay Function: PoH uses a Verifiable Delay Function (VDF) to generate a unique hash that includes the transaction and the time it was processed. This sequence of hashes provides a verifiable order of events, enabling the network to efficiently agree on the sequence of transactions. 2. Proof of Stake (PoS): - Validator Selection: Validators are chosen to produce new blocks based on the number of SOL tokens they have staked. The more tokens staked, the higher the chance of being selected to validate transactions and produce new blocks. - Delegation: Token holders can delegate their SOL tokens to validators, earning rewards proportional to their stake while enhancing the network's security. Consensus Process: 1. Transaction Validation: Transactions are broadcast to the network and collected by validators. Each transaction is validated to ensure it meets the network's criteria, such as having correct signatures and sufficient funds. 2. PoH Sequence Generation: A validator generates a sequence of hashes using PoH, each containing a timestamp and the previous hash. This process creates a historical record of transactions, establishing a cryptographic clock for the network. 3. Block Production: The network uses PoS to select a leader validator based on their stake. The leader is responsible for bundling the validated transactions into a block. The leader validator uses the PoH sequence to order transactions within the block, ensuring that all transactions are processed in the correct order.

		4. Consensus and Finalization: Other validators verify the block produced by the leader validator. They check the correctness of the PoH sequence and validate the transactions within the block. Once the block is verified, it is added to the blockchain. Validators sign off on the block, and it is considered finalized. Security and Economic Incentives: 1. Incentives for Validators: - Block Rewards: Validators earn rewards for producing and validating blocks. These rewards are distributed in SOL tokens and are proportional to the validator's stake and performance. - Transaction Fees: Validators also earn transaction fees from the transactions included in the blocks they produce. These fees provide an additional incentive for validators to process transactions efficiently. 2. Security: - Staking: Validators must stake SOL tokens to participate in the consensus process. This staking acts as collateral, incentivizing validators to act honestly. If a validator behaves maliciously or fails to perform, they risk losing their staked tokens. - Delegated Staking: Token holders can delegate their SOL tokens to validators, enhancing network security and decentralization. Delegators share in the rewards and are incentivized to choose reliable validators. 3. Economic Penalties: Slashing: Validators can be penalized for malicious behavior, such as double-signing or producing invalid blocks. This penalty, known as slashing, results in the loss of a portion of the staked tokens, discouraging dishonest actions.
S.5	Incentive Mechanisms and Applicable Fees	Solana uses a combination of Proof of History (PoH) and Proof of Stake (PoS) to secure its network and validate transactions. Incentive Mechanisms: 1. Validators: - Staking Rewards: Validators are chosen based on the number of SOL tokens they have staked. They earn rewards for producing and validating blocks, which are distributed in SOL. The more tokens staked, the higher the chances of being selected to validate transactions and produce new blocks. - Transaction Fees: Validators earn a portion of the transaction fees paid by users for the transactions they include in the blocks. This provides an additional financial incentive for validators to process transactions efficiently and maintain the network's integrity. 2. Delegators: - Delegated Staking: Token holders who do not wish to run a validator node can delegate their SOL tokens to a validator. In return, delegators

		share in the rewards earned by the validators. This encourages widespread participation in securing the network and ensures decentralization. 3. Economic Security: - Slashing: Validators can be penalized for malicious behavior, such as producing invalid blocks or being frequently offline. This penalty, known as slashing, involves the loss of a portion of their staked tokens. Slashing deters dishonest actions and ensures that validators act in the best interest of the network. - Opportunity Cost: By staking SOL tokens, validators and delegators lock up their tokens, which could otherwise be used or sold. This opportunity cost incentivizes participants to act honestly to earn rewards and avoid penalties. Fees Applicable on the Solana Blockchain Transaction Fees: 1. Low and Predictable Fees: Solana is designed to handle a high throughput of transactions, which helps keep fees low and predictable. The average transaction fee on Solana is significantly lower compared to other blockchains like Ethereum. 2. Fee Structure: Fees are paid in SOL and are used to compensate validators for the resources they expend to process transactions. This includes computational power and network bandwidth. 3. Rent Fees: State Storage: Solana charges rent fees for storing data on the blockchain. These fees are designed to discourage inefficient use of state storage and encourage developers to clean up unused state. Rent fees help maintain the efficiency and performance of the network. 4. Smart Contract Fees: Execution Costs: Similar to transaction fees, fees for deploying and interacting with smart contracts on Solana are based on the computational resources required. This ensures that users are charged proportionally for the resources they consume.
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	2025-05-28
S.8	Energy consumption	58.77796 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) solana 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.