PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Marlin (POND)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading POND. 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 Marlin and how does it work?

Marlin is an open-source, layer-0 networking framework designed to make the performance of decentralised applications comparable to Web 2.0 platforms. It does so by interconnecting relay nodes, called Metanodes, that optimize data paths, compress payloads and apply adaptive routing so that blocks and transactions propagate with lower latency and higher bandwidth efficiency. The protocol's architecture is blockchain-agnostic; developers can integrate Marlin overlays with any smart-contract chain while maintaining each chain's consensus layer unchanged.

Operating below the transport layer of the TCP/IP stack, Marlin furnishes low-latency "network as a service." Its decentralised design removes single points of control, strengthening censorship resistance. Relay operators are required to stake or earn the native POND token; their performance and uptime determine ongoing rewards. Token holders may alternatively delegate POND to trusted operators, sharing in those rewards while helping to secure the network.

To facilitate large-scale staking and governance, 1 000 000 POND can be converted to 1 MPond through a smart-contract bridge (and back again), allowing long-term participants to concentrate voting power without affecting liquid supply. Since 2021 the core staking and bridge contracts have migrated from Ethereum mainnet to Arbitrum, reducing gas costs while retaining Ethereum's security guarantees.

Who is behind the Project?

The Marlin protocol was founded by Siddhartha Dutta, Prateesh Goyal, and Roshan Raghupathy.

Tokenomics of POND

POND has a maximum supply of 10,000,000,000 POND tokens. As of August 2025, the circulating supply of POND tokens is approximately 8,196,865,809 POND. At genesis, the token's distribution was as follows:

Category	Allocation

Ecosystem	31.9%
Staking rewards	21.8%
Private sale	17.2%
FlowMint, Marlin's stakedrop to distribute tokens to stakers on other networks	16%
Team	10%
Advisors	3%
Total	100%

General Risks

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

Developer Dependence

While there are many developers who contribute to Marlin, there are no guarantees that they will continue to contribute. POND, Marlin's native asset, could be negatively affected by an inability to retain and/or attract developers to keep up with market needs and improve its decentralized programmable network infrastructure when necessary.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on POND and determined that Kraken was permitted to make POND available for trading to UK users, in compliance with UK law. This process generally consists of reviewing publicly available information on the following:

- The creation, governance, usage and design of POND, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created POND;
- The supply, demand, maturity, utility and liquidity of POND;
- Material technical risks associated with POND, including any code defects, security breaches and other threats concerning POND 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 POND, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of POND, 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 POND about whether POND, 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.