

Sonic (S)
White paper

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

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01	Date of notification	2025-06-12	
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	S is the native asset of the Sonic blockchain and underpins every on-chain action: it is used to pay transaction fees and the asset is staked by validators to secure the network's Proof-of-Stake consensus. At mainnet genesis on 18 December 2024 the total supply was 3 175 000 000 S, minted one-for-one to replace the circulating Fantom (FTM) supply and transferred directly to existing holders, leaving roughly 90 % immediately in the community's hands while the rest was reserved for validator rewards and an ecosystem vault that will be managed by community vote.

		<p>Sonic's tokenomics permit controlled, governance-approved inflation: a single 6 % mint six months post-launch to fund a deflationary community airdrop and up to 1.5 % of the initial supply each year for six years to finance ongoing development, with any unused portion automatically burned.</p> <p>S tokens are freely transferable, in whole or in part, to third parties, and all associated usage rights and obligations follow the token upon transfer.</p>
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 S 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	<p>General Risk Factors Associated with Crypto-Asset Offerings</p> <p>The admission to trading of crypto-assets, including S, is subject to general risks inherent to the broader cryptocurrency market.</p> <p>Market Volatility</p> <p>The value of S may experience substantial fluctuations driven by investor sentiment, macroeconomic developments, and market conditions.</p>

		<p>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.</p> <p>Security Risks The risk of exploitation, hacking or security vulnerabilities of the underlying protocol and/or contracts of the token leading to a loss.</p> <p>Reputational Risks The potential for damage to an organization's credibility or public trust, which can negatively impact stakeholder confidence and overall business viability.</p>
I.2	Issuer-Related Risks	<p>Operational and Management Risk Sonic Labs is a relatively young organization operating in a fast-paced industry. The project's success largely depends on the expertise and execution of its core team. If key personnel (such as senior developers or leadership like the CEO) leave the project or fail to effectively carry out the project roadmap, Sonic's development and adoption could suffer.</p> <p>Reputation and Execution Risk Sonic Labs inherits the legacy of Fantom, and while this provides a technical foundation, it also means the project's reputation could be affected by past events associated with Fantom. Any failure by Sonic Labs to deliver the promised technical improvements or to maintain network reliability could damage its credibility. Negative perceptions, whether due to technical setbacks, unmet expectations, or association with industry controversies, may reduce user and developer interest in Sonic, thereby diminishing the demand and utility for the S token.</p>
I.3	Crypto-Assets-related Risks	<p>Market Volatility The crypto-asset market is subject to significant price volatility, which may affect the value of S. 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.</p> <p>Liquidity Liquidity refers to the ability to buy or sell a crypto-asset without causing significant price impact. S 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</p>

		<p>volatility, slippage, and difficulty in executing transactions.</p> <p>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 and compromise of cryptographic algorithms.</p> <p>Adoption Risks The risk associated with the project not achieving its goals leading to lower than expected adoption and use within the ecosystem, the impact leading to a reduced utility and value proposition.</p> <p>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.</p>
I.4	Project Implementation-Related Risks	<p>Development Delays and Technical Challenges The Sonic roadmap includes technical improvements. There is a risk that development tasks may take longer than expected or encounter unforeseen technical difficulties. Delays in delivering key features could undermine confidence in the project. Prolonged development timelines might cause developers or users to lose interest and move to other platforms, negatively affecting S token utility and demand.</p> <p>Dependency on Third-Party Infrastructure The success of Sonic's ecosystem relies on external projects and integrations. For example, wallet providers, blockchain bridges, oracles like Chainlink, and dApp developers. If supporting infrastructure (like a widely used wallet or bridge) encounters problems or withdraws support for Sonic, it could disrupt the user experience. For instance, an outage in a major bridge connecting Sonic to other blockchains could isolate Sonic's ecosystem and reduce token liquidity across chains. The project's growth could stall if anticipated third-party contributions do not come to fruition or if key partners face issues.</p>
I.5	Technology-Related Risks	<p>Smart contract risks S 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.</p> <p>Blockchain Network Risks S operates on a public blockchain infrastructure, which is maintained by a</p>

		<p>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 S.</p> <p>Risk of Cryptographic Vulnerabilities Technological advancements, such as quantum computing, could pose potential risks to cryptocurrencies.</p> <p>Privacy Transactions involving S 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.</p> <p>Cross-Chain Integration Risks Sonic has integrated cross-chain interoperability solutions such as Chainlink's CCIP and Circle's CCTP for native USDC, and supports bridging via protocols like LayerZero. While these integrations enhance Sonic's connectivity, they introduce additional risk factors. Cross-chain bridges and messaging protocols have historically been targets of major exploits industry-wide. If a vulnerability in a bridge is exploited, it could result in loss or theft of assets, indirectly affecting S.</p>
I.6	Mitigation measures	<p>Security Audits The Sonic smart contract and related platform contracts have undergone security auditing by several firms. This audit process helps identify and address potential vulnerabilities, thereby reducing the risk of smart contract failures or exploits.</p> <p>Bug-Bounty Program The issuer operates a continuous bug-bounty scheme: external researchers can probe the smart contracts, back-end, and UI, then submit vulnerability reports. The team then rewards following a severity scale. This incentivises rapid detection and resolution of critical issues.</p>

		<p>Validator Slashing To deter malicious behavior, validators who act against protocol rules, such as double-signing blocks or prolonged downtime, are subject to slashing. This means a portion of their staked S can be irreversibly forfeited. Slashing provides a direct economic disincentive for misbehavior and ensures that validators are penalized for actions that could compromise network security.</p> <p>Bridge circuit-breaker The Gateway bridge contains a circuit-breaker that pauses transfers automatically if abnormal states (e.g., mismatched balances) are detected.</p>
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	Sonic Labs Ltd
B.3	Legal form	Not available
B.4	Registered address	Windermere Corporate Management Ltd, 200 Sterling Commons East, Harbour Drive, Paradise Island, Bahamas
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																	
C.5	Registration Date	11-07-2023																	
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 S 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.																	
C.10	Members of the Management body	<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></table>			Full Name	Business Address	Function	Shannon Kurtas	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member	Andrew Mulvenny	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member	Shane O'Brien	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member	Laura Walsh	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member
Full Name	Business Address	Function																	
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Shane O'Brien	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member																	
Laura Walsh	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member																	

		Michael Walsh	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member
C.11	Operator Business Activity	PGSL is the operator of a Trading Platform for Crypto Assets, in accordance with Article 3(1)(18) of Regulation (EU) 2023/1114 (MiCA).		
C.12	Parent Company Business Activity	<p>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.</p> <p>Payward, through its various affiliates, offers a number of other services and products, including:</p> <ul style="list-style-type: none"> * 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	Sonic
D.2	Crypto-asset s name	Sonic
D.3	Abbreviation	s
D.4	Crypto-asset project description	<p>Sonic is a high-performance Layer-1 blockchain that grew out of the Fantom ecosystem and was launched on 18 December 2024. Building on an evolved DAG-based consensus, the network routinely finalises transactions in under a second while sustaining thousands of transactions per second, all within an Ethereum-compatible smart-contract environment.</p> <p>Strategic integrations, including Chainlink CCIP for cross-chain messaging, Circle CCTP for native USDC, and LayerZero's OFT standard for omnichain token transfers, extend Sonic's reach beyond its own network.</p> <p>The transition from Fantom to Sonic carried forward the community, liquidity and DeFi applications of its predecessor, giving the new chain an immediate user base and a total value locked (TVL) of US\$1 billion within months of launch.</p>

D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	<p>The project is developed and maintained by Sonic Labs, an international business company limited by shares incorporated in The Bahamas and operating primarily from Singapore. Its full address is Windermere Corporate Management Ltd, 200 Sterling Commons East, Harbour Drive, Paradise Island, Bahamas.</p> <p>Core team</p> <ul style="list-style-type: none"> - Michael Kong: CEO - Andre Cronje: CTO - David Richardson: Executive Chairman - Bernhard Scholz: Chief Research Officer <p>Interoperability partners comprise Chainlink Labs (CCIP), Circle Internet Financial (CCTP for native USDC) and LayerZero Labs (OFT bridge adapters).</p>
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	<p>Q4 2024: Sonic mainnet launched and S token genesis completed.</p> <p>Q1 2025: Chainlink CCIP & Circle CCTP integrations live (native USDC enabled).</p> <p>Q1 2025: Network total value locked (TVL) surpassed US \$1 billion</p> <p>Sonic Labs is planning to complete the roll-out of Sonic CS 2.0, distribute the one-time 6 % S community airdrop and activate the FeeM Vault revenue-share module. For additional plans, please refer to the project team's official channels.</p>
D.9	Resource Allocation	Ongoing inflows consist of the 70 million S validator-reward stream over four years, an annual network-funding mint of up to 1.5 % of genesis supply (each year subject to governance) and US \$10 million raised from Galaxy Digital in February 2025.

D.10	Planned Use of Collected Funds or Crypto-Assets	Sonic Labs has publicly committed 200 million S ($\approx 6\%$) to its Innovator Fund for ecosystem-grants and liquidity programmes. The foundation also funds continuous protocol R&D and external security audits and allocates unspecified amounts to education (e.g., Bitaskwela partnership).
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	3 175 000 000 total supply with no 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 S 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	S 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	Core Functionality: S' primary utility is to act as the gas and staking token for the Sonic chain.
F.3	Planned Application of Functionalities	S' core use cases are already live. Governance as well as Sonic CS 2.0 and FeeM are planned but the team has not disclosed when they plan to have this live.
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	S allows holders to stake to participate in network consensus, pay gas fees, and transfer their tokens freely.

F.7	Commercial name or trading name	Sonic Labs
F.8	Website of the issuer	https://www.soniclabs.com/
F.9	Starting date of offer to the public or admission to trading	2024-12-18
F.10	Publication date	2025-07-10
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
Part G - Information on the rights and obligations attached to the crypto-assets		
G.1	Purchaser Rights and Obligations	<p>Rights of S Holders: Holders of S are entitled to utilize the token within the Sonic ecosystem as described. Specifically, a purchaser of S has the right to: (a) Stake S – by staking S, the user participates in Sonic’s consensus mechanism; and (b) Pay transaction fees with S – transactions on Sonic incur a transaction fee paid in S.</p> <p>Obligations of S Holders: There are no mandatory obligations imposed on S purchasers beyond the general terms of use of the platform.</p> <p>Transferability and Trading: Holders have the ability to transfer their S tokens to others (on-chain) or to trade</p>

		them on available markets at will. Ownership of S carries with it the aforementioned access rights, and when a token is transferred, those rights pass to the new holder. The previous holder loses access once they no longer hold the token. This means all rights (which are usage rights) are fully transferable with the token.
G.2	Exercise of Rights and obligations	Token holders can exercise their usage rights directly through the Sonic blockchain. For example, to use S for transaction fees, a holder simply initiates a transaction on the network (the protocol automatically deducts the fee in S). To stake S, a holder either operates a validator node (requiring a technical setup and locking a certain amount of S in a staking contract) or delegates their S to an existing validator via the staking smart contract interface (using an official wallet or explorer).
G.3	Conditions for modifications of rights and obligations	The rights and obligations attached to S 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 Sonic 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	Sonic Labs has not announced plans for any future public sale of S.
G.5	Issuer Retained Crypto-Assets	The exact size of the Ecosystem Vault has not been publicly disclosed. The non-circulating supply at genesis was ~295 000 000 S, of which 70 000 000 S are validator-reward reserves.
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 S 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	The S token operates on the Sonic blockchain, which is a standalone Layer-1 distributed ledger. Sonic Chain employs a leader-based Proof-of-Stake (PoS) consensus with a Directed Acyclic Graph (DAG) structure for transaction ordering. This technology ensures that S transactions can be recorded, validated, and secured in a decentralized manner.
H.2	Protocols and technical standards	The S token is based on Sonic Chain, which utilizes decentralized Distributed-Ledger Technology. This protocol provides the foundation for secure transactions and smart contracts. S as the native asset on Sonic does not use a token standard.
H.3	Technology Used	The S token is implemented as the base currency of Sonic and does not have a separate smart contract (it exists at the protocol level).
H.4	Consensus Mechanism	Sonic Chain employs a leader-based Proof-of-Stake (PoS) consensus with a Directed Acyclic Graph (DAG) structure for transaction ordering. Validators (stakers) take turns proposing and confirming blocks in rapid succession, leveraging the DAG to handle concurrent block production without forks. This allows Sonic Chain to reach sub-second confirmation and high throughput.

H.5	Incentive Mechanisms and Applicable Fees	<p>Sonic secures its Proof-of-Stake network by rewarding validators and their delegators with two revenue streams:</p> <ul style="list-style-type: none"> - Block-reward inflation: A fixed pool of S is emitted block-by-block over the first four years. Each validator receives a share proportional to the S it has staked (minus its self-declared commission), and delegators receive the remainder. - Transaction-fee revenue: Every transaction pays gas in S. <p>The gas price is set by a dynamic formula that rises when blocks are full and falls when blocks are empty.</p> <p>Collected fees are denominated entirely in S. The validator who proposes the block receives the fee pot after deducting any base-fee burn enacted by governance.</p> <p>When FeeM Vault is activated, a protocol parameter (initially 20 %) diverts part of each fee to the vault for distribution to dApp builders; the remainder continues to go to validators/delegators.</p> <p>Economic penalties (slashing). Validators that double-sign or remain offline beyond the protocol-defined grace period lose a percentage of their bonded S; the slashed amount is burned, ensuring that malicious behaviour is economically costly.</p>
H.6	Use of Distributed Ledger Technology	false
H.7	DLT Functionality Description	N/A
H.8	Audit	true
H.9	Audit outcome	<p>Oct 2024 Sonic Gateway (Quantstamp)</p> <p>1 High severity issues (fixed)</p> <p>3 Medium severity issues (2 fixed, 1 acknowledged)</p> <p>3 Low severity issues (2 fixed, 1 acknowledged)</p> <p>2 Informational severity issues</p> <p>Nov 2024 Sonic Gateway (Certora)</p> <p>0 Critical severity issues</p> <p>0 High severity issues</p>

		<p>5 Medium severity issues (4 fixed, 1 acknowledged) 4 Low severity issues (all acknowledged) 0 Informational severity issues</p> <p>Nov 2024 Opera Sonic Bridge (Quantstamp) 0 High severity issues (fixed) 0 Medium severity issues (2 fixed, 1 acknowledged) 1 Low severity issues (fixed) 5 Informational severity issues (4 fixed, 1 acknowledged)</p> <p>Dec 2024 Sonic Gateway (OpenZeppelin) 0 Critical severity issues 1 High severity issues (fixed) 3 Medium severity issues (1 fixed, 8 Low severity issues 13 Informational severity issues</p> <p>Dec 2024 FTM to S Bridge (OpenZeppelin) 0 Critical severity issues 0 High severity issues 2 Medium severity issues (all fixed) 3 Low severity issues (all fixed) 9 Informational severity issues (all fixed)</p>
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	sonic
S.4	Consensus Mechanism	Sonic utilizes a Proof-of-Stake (PoS) consensus mechanism integrated with a Directed Acyclic Graph (DAG) architecture to enhance scalability and efficiency. Validators are required to stake the network's native \$S tokens, with a minimum of 500,000 \$S tokens needed to operate a validator node. This substantial staking requirement ensures that validators have a significant investment in the network's integrity.
S.5	Incentive Mechanisms and Applicable Fees	Sonic's economic model is designed to incentivize active participation from both validators and developers. Validators earn rewards through a combination of block rewards and transaction fees. The block reward system employs a dynamic Annual Percentage Rate (APR) mechanism.

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	84358.80000 kWh/a
S.9	Energy consumption sources and methodologies	<p>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. 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 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.</p>