

**PAYWARD LTD**  
**CRYPTO ASSET RISK DISCLOSURE**  
**Fly (FLY)**

Last updated on May 13, 2025

**Disclaimer**

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

Fly, previously known as Magpie Protocol, is a decentralized liquidity aggregation platform designed to facilitate seamless cross-chain swaps. It aims to enable users to exchange assets across multiple top blockchains without the need to manually bridge assets, thereby simplifying the process and reducing associated risks. By aggregating liquidity and optimizing transaction routes, Fly aims to facilitate fast, gas-efficient transactions, providing a smooth DeFi experience across chains. The platform's native token, \$FLY, powers governance, staking, and rewards, aligning the interests of users and the protocol.

Fly operates by integrating liquidity from various decentralized exchanges (DEXs) and bridges, including Stargate and Wormhole. This integration allows Fly to offer users efficient swaps with reduced slippage. Revenue is generated through transaction fees, which are redistributed among liquidity providers, FLY token stakers, community rewards, and operational funds.

**Who is behind Fly**

Fly was founded by Chief Executive Officer Ali Raheman and Chief Information Officer Ikram Ansari, with Gergely Hegyközi serving as Chief Technology Officer.

**Tokenomics of FLY**

FLY has a total supply of 100 million FLY. The initial distribution is as follows:

Category	Tokens	Percentage
Liquidity Providers	12,500,000.00	12.50%
Incentives	23,000,000.00	23.00%
Ecosystem	4,305,556.00	4.31%
Treasury	14,000,000.00	14.00%
Seed Round	10,000,000.00	10.00%
Bridge Round	2,200,000.00	2.20%
Private Round	1,666,667.00	1.67%
Public Sale Round	5,694,444.00	5.69%
Future Raise	3,333,333.00	3.33%
Team	23,300,000.00	23.30%
<b>Total</b>	<b>100,000,000.00</b>	<b>100%</b>

## General Risks

Like all other digital assets, there are some general risks to investing in FLY. 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 FLY

### *Competition*

Fly faces competition from other cross-chain swap platforms such as 1inch and Paraswap. FLY's value derives from the project's broader adoption in the market. If Fly fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of FLY

## Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on FLY and determined that FLY 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 FLY, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created FLY;
- The supply, demand, maturity, utility and liquidity of FLY;
- Material technical risks associated with FLY, including any code defects, security breaches and other threats concerning FLY 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 FLY, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of FLY, 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 FLY about whether FLY, 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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