Fly (FLY)
White paper

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

N	Field	Content
0	Table of content	

01	Date of notification	2025-06-26
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.

<table>
<tr><td colspan="3">Summary</td></tr>
<tr><td>07</td><td>Warning in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114</td><td>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.</td></tr>
<tr><td>08</td><td>Characteristics of the crypto-asset</td><td>FLY is a fungible token designed for use within the Fly ecosystem (formerly Magpie). Users can convert FLY into xFLY to unlock rewards and protocol perks. By locking xFLY, users are able to claim Earndrop rewards called Eggs. Earndrops is Fly.trade’s interactive reward distribution system. Unlike traditional airdrops, Eggs require active participation to receive. xFLY can also be locked to earn returns in FLY. Additionally FLY holders may benefit from trading incentives on the platform.
FLY tokens are freely transferable, in whole or in part, to third parties, and all associated usage rights and obligations follow the token upon transfer.

FLY has a maximum supply of 100 000 000 tokens distributed as follows:

<table>
<tr><th>Allocation Type</th><th>Total Supply</th></tr>
<tr><td>Liquidity Providers</td><td>12,50%</td></tr>
<tr><td>Incentives</td><td>23,00%</td></tr>
<tr><td>Ecosystem</td><td>4,31%</td></tr>
<tr><td>Treasury</td><td>14,00%</td></tr>
<tr><td>Seed Round</td><td>10,00%</td></tr>
<tr><td>Bridge Round</td><td>2,20%</td></tr>
<tr><td>Private Round</td><td>1,67%</td></tr>
<tr><td>Public Sale Round</td><td>5,69%</td></tr>
<tr><td>Future Raise</td><td>3,33%</td></tr>
<tr><td>Team</td><td>23,30%</td></tr>
</table>
</td></tr>
</table>

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 FLY 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 FLY, is subject to general risks inherent to the broader cryptocurrency market. **Market Volatility** The value of FLY 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. **Reputational Risks** The potential for damage to an organization's credibility or public trust, which can negatively impact stakeholder confidence and overall business viability**.**
I.2	Issuer-Related Risks	**Financial Stability Risk** The financial condition of the issuer, including challenges in cash flow or profitability, may influence the project's ability to meet its objectives. If financial difficulties arise, they could impact the operations or sustainability of the issuer.

		Dependence on Key Personnel The project's success is heavily dependent on the expertise and efforts of its core team. Fly was co-founded by a small group of individuals. The loss of key team members or any breakdown in the team's functioning (for instance, due to internal governance issues or disputes) could slow down or jeopardize the project's progress and, by extension, diminish the utility and community trust in FLY. **Competition and Business Environment** Fly operates in the cross-chain swapping sector, which is competitive and rapidly evolving. Competing platforms or new technologies could reduce Fly's market share or render its tools less unique. If Fly fails to continue innovating or to respond to competitive pressures, user adoption of its platform (and demand for FLY) may not grow as projected, posing a risk to the token's utility value. **Legal and Regulatory Risks** Fly must comply with applicable laws and regulations (including those beyond crypto-specific laws, such as data protection and financial regulations). Any legal challenges, regulatory investigations, or compliance failures involving the company could disrupt operations or tarnish its reputation. **Internal Control and Governance Risks** The effectiveness of the issuer's internal controls and operational processes may impact the overall management of the project. Weaknesses in controls, governance and operations could impact the project's ability to meet its goals.
I.3	Crypto-Assets-related Risks	**Market Volatility** The crypto-asset market is subject to significant price volatility, which may affect the value of FLY. 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. FLY 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** 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. **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	**Development Delays or Shortfalls** The Fly.trade roadmap is ambitious, including launching governance/staking features, expanding to new chains, and introducing advanced functionalities throughout 2025. There is a risk that some of these milestones may be delayed or not achieved. **Reliance on Third-Party Technology** Fly.trade's aggregator leverages multiple external protocols (DEXs, bridge services, wallets) to function. If any key partner or infrastructure (for instance, a cross-chain bridge provider or integrated DEX) experiences downtime, security issues, or withdraws support, the Fly.trade service could be disrupted. The project's plan to integrate with specific networks and protocols means it is partially dependent on those external systems functioning reliably. Failures or changes in third-party protocols could require the team to find alternatives or develop in-house solutions, which may not be immediate **Scaling and Infrastructure** As usage grows, Fly will need to scale its infrastructure. If the team fails to scale the technology appropriately, users might face poor performance or downtime. Any significant technical outages or data inaccuracies on the platform can erode user trust. **Regulatory Compliance** As the project progresses, it may encounter regulatory challenges that impact its design, implementation, or operation. Evolving legal and compliance requirements could necessitate changes to the project's architecture, user interface, or overall business model, potentially resulting in development delays, increased costs, or the need to rework key components.
I.5	Technology-Related Risks	**Smart contract risks** FLY 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** FLY 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 FLY. **Risk of Cryptographic Advances:** FLY's security (like that of most blockchain tokens) depends on standard cryptographic algorithms. Advances in computing, such as the development of quantum computers, could in the future render these cryptographic techniques less secure. While this is a long-term and industry-wide risk; it is worth noting that if encryption standards were broken or significantly weakened, the security of all blockchain assets, including FLY, would be at risk. This could potentially allow bad actors to forge signatures or otherwise manipulate the blockchain. **Privacy** Transactions involving FLY 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. 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	**Reliance on Secure Infrastructure:** Fly.trade chose a reputable blockchain network (Sonic) for FLY. Sonic has undergone extensive security audits across its core components to ensure security. While this does not guarantee safety, it means the foundational infrastructure is maintained by experienced entities and is subject to scrutiny from the wider blockchain community. It must be stressed that, despite these mitigation efforts, risks remain. The measures above reduce the likelihood or impact of certain events but cannot remove risk entirely from FLY or the Fly.trade project. Token holders and users

		should remain prudent and aware of the residual risks described in this white paper.
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	Magpie Markets Limited
B.3	Legal form	6EH6 Company limited by shares
B.4	Registered address	P.O. Box 4301, Road Town, Tortola, VG1110, British Virgin Islands

B.5	Head office	Not available
B.6	Registration Date	Not available publicly
B.7	Legal entity identifier	Unknown
B.8	Another identifier required pursuant to applicable national law	Unknown
B.9	Parent Company	N/A
B.10	Members of the Management body	Management body members are not publicly identifiable.
B.11	Business Activity	Not available
B.12	Parent Company Business Activity	N/A,
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

<table>
<tr><td>C.4</td><td>Head office</td><td>N/A</td></tr>
<tr><td>C.5</td><td>Registration Date</td><td>2023-07-11</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 FLY 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>
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		<table><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>
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	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	Fly.trade (formerly known as Magpie Protocol)
D.2	Crypto-assets name	Fly Token
D.3	Abbreviation	FLY
D.4	Crypto-asset project description	Fly.trade is a decentralized liquidity aggregation and trade execution protocol designed for cross-chain DeFi applications. The project's objective is to simplify and optimize token trading across multiple blockchain networks. Fly.trade achieves this by providing a single platform where users can swap assets between different blockchains with seamless routing, minimal slippage, and no need for manual bridging. The protocol connects multiple chains to find the best price for users' trades in real time, effectively unifying liquidity from various decentralized exchanges and bridges.
D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	**Issuer/Developer:** The project is developed by Magpie Markets Limited, a limited shares corporation registered in the British Virgin Islands under business company number 2095688 and maintains its registered office at P.O. Box 4301, Road Town, Tortola, VG1110, British Virgin Islands. The core development team consists of the project's co-founders and key executives: The three co-founders – Ali Raheman (CEO), Ikram Ansari (CIO), and Gergely Hegyközi (CTO). These individuals lead the implementation of the platform and the FLY token ecosystem.

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	**Project Milestones (Past and Future) Involving FLY:** **Past Milestones:** Since its inception, the Fly.trade (Magpie) protocol has facilitated over $6,3 billion in cumulative trading volume with more than 3,1 million swaps executed, serving over 260 000 unique users. These figures demonstrate initial traction across multiple chains. Prior to launch on Sonic, the team built integrations such as inclusion in Rabby Wallet and partnerships with other protocols, laying a foundation for cross-chain liquidity aggregation. **Future Plans:** The team has announced plans for the deployment of the FLY Dashboard and activation of core token utilities, including staking, emissions distribution, bribe mechanisms, and revenue sharing for FLY holders. The team aims to launch an enhanced swap UI with charting features, implement a Dollar-Cost Averaging (DCA) feature, and introduce Limit Orders for trades. These milestones are goals and may be subject to adjustment. Progress will depend on technical development, security testing, and user adoption.
D.9	Resource Allocation	**Financial Resources:** Fly.trade has secured funding and allocated token resources to support the project. In a seed funding round in 2022 the company raised approximately USD $3 million in capital, led by venture investor Jump Crypto. Additionally a Pre-Sale and Initial DEX Offering in March 2025 raised approx USD $2,5 million together. **Token Allocation as Resource:** The distribution of FLY is designed as a resource to fuel the ecosystem. Out of the 100 million FLY total supply,4,31% of the token supply, (4 305 556 tokens) is allocated to Ecosystem development, while 14% (14 000 000) is designated for the protocol's treasury. Additionally, 23% of FLY tokens (23 000 000) are allocated for community incentives.

D.10	Planned Use of Collected Funds or Crypto-Assets	Fly.trade has allocated 4,31% or 4 305 556 Fly tokens for the purpose of Ecosystem development. The treasury is funded with 14 000 000 FLY tokens (14,00%). 3 333 333 (3,33%) of FLY's token allocation is reserved for a future raise.
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	100 000 000 FLY 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 FLY 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	FLY 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:** As Fly.trade unifies multiple blockchains, FLY serves as a cross-chain utility token within the ecosystem. It can be supplied to Sonic-native pools to earn swap fees. Additionally holders can trade and provide liquidity with FLY tokens. FLY is used to incentivize trading activity on Fly.trade. Active traders holding FLY may benefit from reduced trading fees and slippage on the platform.
F.3	Planned Application of Functionalities	**Governance**: Fly has announced their plans to introduce community governance. Users will be able to stake FLY to receive xFLY. xFLY holders will be able to vote on proposals, such as which liquidity pools get emissions. **Staking and Revenue Sharing:** The project has also announced the Fly Staking Dashboard. This allows holders to lock FLY into xFLY and start receiving a share of trading fee revenue and bribe rewards. Initially, these rewards will accumulate from the moment the staking feature is enabled. **Emissions and Bribes:** The emissions of new FLY tokens (within the fixed supply) to incentivize trading are structured to begin when governance and staking go live (i.e., emissions are distributed per governance votes). Bribes (rewards offered by other protocols or by Fly.trade to xFLY voters) will become applicable once the voting mechanism is active.
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	FLY allows holders to access platform services and holders can trade, provide liquidity, and convert airdrop allocations with FLY tokens
F.7	Commercial name or trading name	Magpie Markets Limited
F.8	Website of the issuer	https://www.fly.trade/
F.9	Starting date of offer to the public or admission to trading	2025-06-07
F.10	Publication date	2025-07-24
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	false
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	**Rights of FLY Holders:** Holders of FLY are entitled to utilize the token within the Fly.trade ecosystem as described. Specifically, a purchaser of FLY has the right to (a) **Economic Rights (Rewards):** Once staking is live, holders who stake FLY (directly or via xFLY/FLY33 mechanisms) have the right to receive a portion of the protocol's revenues (trading fees) and reward emissions, (b) **Access and Utility:** Holding FLY confers the practical benefit/right of reduced trading fees and slippage on the Fly.trade platform for the holder. In effect, the protocol may subsidize or discount trades for users who hold certain amounts of FLY. This right is automatically applied by the system; again, it is not an obligation to trade **Obligations of FLY Holders:** There are no mandatory obligations imposed on FLY purchasers beyond the general terms of use of the platform. **Transferability and Trading:** Holders have the ability to transfer their FLY tokens to others (on-chain) or to trade them on available markets at will. Ownership of FLY 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	**Procedure to Exercise Rights:** To use FLY's utility rights, a holder typically needs to interact with the Fly.trade platform: for instance, to receive fee sharing or emission rewards, a holder typically must stake their FLY or corresponding xFLY in the designated reward contract/pool. Platform Benefits (Fee Discounts) do not require a specific action beyond holding/staking the token. The Fly.trade system will automatically apply reduced fees or slippage to trades for eligible FLY holders.
G.3	Conditions for modifications of rights and obligations	The rights and obligations attached to FLY 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 FLY 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	N/A
G.5	Issuer Retained Crypto-Assets	23 300 000 or 23,3% was allocated to the team
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 FLY 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 FLY 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 FLY token is based on Sonic Chain, which utilizes decentralized Distributed-Ledger Technology. This protocol provides the foundation for secure transactions and smart contracts. Sonic Chain uses the ERC-20 token standard for FLY. It also supports the Cross-Chain Token (CCT) standard for interoperability with other blockchains via Chainlink CCIP.
H.3	Technology Used	The FLY token uses the existing ERC-20 fungible token standard on Sonic Chain.
H.4	Consensus Mechanism	**Consensus of Underlying Chain:** 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	FLY relies on the existing incentive mechanisms and fee structures of the Sonic blockchain.
H.6	Use of Distributed Ledger Technology	False
H.7	DLT Functionality Description	N/A
H.8	Audit	True
H.9	Audit outcome	Oct 2024 Sonic Gateway (Quantstamp) 1 High severity issues (fixed) 3 Medium severity issues (2 fixed, 1 acknowledged) 3 Low severity issues (2 fixed, 1 acknowledged) 2 Informational severity issues

		Nov 2024 Sonic Gateway (Certora) 0 Critical severity issues 0 High severity issues 5 Medium severity issues (4 fixed, 1 acknowledged) 4 Low severity issues (all acknowledged) 0 Informational severity issues 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) 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 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)
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	fly
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	2024-06-20
S.7	End of the period to which the disclosure relates	2025-06-20
S.8	Energy consumption	2108.97000 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) sonic 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.