

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
TokenFi (TOKEN)

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Disclaimer

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

TokenFi is an all-in-one tokenization platform developed under the Floki brand that lets individuals and businesses create fungible or non-fungible tokens, and tokenize real-world assets, without writing code. Its browser-based tools (Token Launcher, QuickLaunch Bot, Launchpad, Generative AI, AI Smart Contract Auditor, RWA module and Connect) guide users through input fields for parameters such as name, symbol, supply, logo, and tokenomics, then deploy the resulting contracts on EVM-compatible chains including Ethereum, BNB Chain, Base, Arbitrum, Blast and opBNB.

TOKEN, the platform's native utility asset, is required for network fees, NFT artwork generation, access to the AI Smart Contract Auditor and participation in certain Launchpad sales. TOKEN enters circulation in three ways: purchase on secondary markets, rewards from staking FLOKI and staking TOKEN itself via the TokenFi Staking Program (three-month to four-year lock periods on ETH and BNB). The product suite aims to lower technical barriers so that creating and launching compliant crypto tokens or tokenized RWAs becomes as straightforward as setting up a modern website.

Who is behind TokenFi

TokenFi is a branch of the Floki brand. Floki is a decentralized community-run project with a core team representing the interests of the community. The core team consists of pseudonymous personalities B, Sabre, and MrBrown Whale. The project's lead developer is Jackie Xu.

Tokenomics of TOKEN

As of August 2025, the circulating supply of TOKEN is 2,731,249,933, with a total supply of 10,000,000,000 TOKEN. The initial distribution is as follows

Category	Total Supply
Floki Staking Pools**, which requires users to stake FLOKI*	54%
Floki NFT holders and Diamond Hands holders	2%
Initial Liquidity Pools on ETH and BNB chains	10%
Floki Treasury for Development and Operations	20%
Team Incentives*	2%
TokenFi User Incentives System*	5%
TokenFi Staking Program*	7%
Total:	100%

*Allocations to the Floki Staking Pool, Team Incentives, TokenFi User Incentive System, and TokenFi Staking Program are subject to four-year vesting periods.

**FLOKI holders can stake their FLOKI in the Floki Staking Pools to receive TOKEN as rewards.

General Risks

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

Competition

TOKEN faces competition from other RWA tokenization projects such as Mantra and Centrifuge. TOKEN's value derives from the project's broader adoption in the market. If TOKEN fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of TOKEN.

Due Diligence

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