MiCAR- Sogni AI White Paper

for **SOGNI AI Token (ticker "SOGNI") Art.** 5 of Regulation (EU) 2023/1114 ("MiCA")

Offeror and Issuer	AI Dreams Capital Ltd.
Version and Date:	Version 1.0 — 12 July 2025
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1. Administrative Information

Field	Disclosure
Date of notification	12 July 2025
Art 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 offeror of the crypto-asset is solely responsible for the content of this crypto-asset white paper.
Compliance statement of Article 6(6) 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.
General risk warning	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.
Utility-token warning	The utility token referred to in this white paper may not be exchangeable against the good or service promised in the crypto-asset white paper, especially in the case of a failure or discontinuation of the crypto-asset project.
Investor / deposit guarantee	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.’

2. Executive Summary

Warning

> *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 offer to the public 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.*

A –Characteristics of the crypto-asset

SOGNI AI Project

Sogni AI's customized suite of applications (Sogni Studio, Studio Pro, Pocket for macOS and iOS, web.sogni.ai, Live Telegram Sticker bot) uses Sogni Supernet as a Decentralized Physical Infrastructure Network (DePIN) that aggregates consumer-grade NVIDIA GPUs and Mac M-series machines to deliver on demand rendering capacity for creative-AI workloads.

The platform represents the next evolution in decentralized AI infrastructure, specifically designed for creative applications, combining cutting-edge AI models with a distributed computing network that democratizes access to high performance GPU resources while ensuring privacy and creative sovereignty for artists and developers.

Sogni AI operates in the generative AI space, where primary competitors include Midjourney and Wombo AI. While these platforms are well-established in AI-driven image generation, Sogni AI differentiates itself through user-operated GPU network providing faster, more cost-effective, and more parallel rendering. Sogni also has created an SDK for app developers to tap into this network allowing increased accessibility, customization, and ecosystem integration into Open Source AI models.

Key Differentiators:

1. Seamless Web & API Integration

Sogni AI offers a full-featured web platform and API integration for businesses, developers, and creatives, making it more accessible for enterprise adoption. This allows brands, agencies, and platforms to integrate AI image generation into their existing workflows with ease.

2. Customization & Fine-Tuned AI Outputs

Sogni AI provides more granular control over styles, prompts, and creative outcomes, catering to users who require specific brand consistency or enterprise-grade AI outputs. While others focus on general artistic styles, Sogni AI enables tailored AI outputs suited for commercial and professional applications.

3. Decentralized Infrastructure Benefits

The DePIN architecture provides cost advantages and scalability benefits compared to centralized competitors, while ensuring privacy and creator sovereignty over their work.

SOGNI Token

The SOGNI Token is a utility token designed for use exclusively within the Sogni Supernet ecosystem. It provides access to specific platform features and services with a Pay-as-you-go model to the decentralised GPU rendering network "Sogni Supernet".

- **Token Symbol:** SOGNI
- **Token Supply:** 10,000,000,000
- **Token Type:** ERC-20-compatible utility token on the Base L2 roll-up
- **Key Utility Feature:** Purchase rendering credits, stake for priority queueing, governance voting, rewards for Worker nodes

Rights and Obligations of the Purchaser:
Purchasers of the SOGNI Token have the right to use the token within the Sogni platform, such as for accessing features, participating in rendering operations, or utilizing services. However, ownership of the token does not confer rights to dividends or equity of the company. The token does not guarantee returns or appreciation in value. The user is not entitled to any compensation in the event of platform delays, changes, or abandonment.

Conditions for Exercising Rights:
Rights attached to the token (e.g., use for accessing services) are exercised

within the platform environment. The SOGNI Token may be listed on third-party exchanges, but these listings are independent and not supported by the issuer, meaning that transfer or trading outside the platform is at your own risk.

Conditions for Modifications of Rights:
AI Dreams Capital may amend token utility features subject to platform updates, legal or regulatory obligations. Material changes will be communicated in advance via official channels.

B Goods & Services

The SOGNI Token functions as a utility token within the Sogni Supernet ecosystem primarily granting access to generative AI rendering services and platform-specific features. These include but are not limited to:

- Access to AI-generated image/video and creative outputs,
- Use of platform features like staking, participating in tasks, or creator tools,
- Potential future utility in gamified or community-led experiences.

The exact quantity of services one can access depends on the token balance held and the usage model or credit system adopted by the platform. For example, on pricing, 1 token might correspond to a set number of image generations or render credits - 1 SOGNI ≈ US $0.005 per 4 Mpix render at launch

For fiat-on-ramp convenience, the ecosystem also employs an in-app credit called Spark Points. Users may buy Spark Points with conventional payment methods; proceeds are automatically converted into SOGNI and routed to worker payouts. Spark Points exists solely as a payment convenience and does not affect the supply, rights, or functionality of SOGNI Tokens.

Service Tiers:

- *Fast GPU* (RTX-class)
- *Relaxed* (Mac-tier)

Capacity and Availability of Service is subject to throughput and network capacity and technological setup of users.

C- Key Information on Admission to trading

1. **Purpose of Admission to trading:** The SOGNI Token is being offered to enable access to the Sogni Supernet ecosystem, where it will function as a utility token for creative rendering services and ecosystem participation.
2. **Issue Price & Subscription Fees**: Purchase SOGNI Tokens at a fulfillment price of $0.0038 per SOGNI Token. No subscription fees.
3. **Total Supply**:10,000,000,000
4. **Prospective Holders**: The tokens are intended for users within the Sogni ecosystem only, they are not to be offered or sold to residents or citizens of restricted jurisdictions. SOGNI is the native utility-and-governance token of Sogni Supernet, a Decentralized Physical Infrastructure Network ("*DePIN*") optimized for Creative-AI workloads. One SOGNI effectively represents a unit of GPU-rendering time and coordinates incentives among all network participants. The intended prospective holders are widely categorized as:

   ● **Artists & Developers** – spend SOGNI to access premium AI tools (e.g., Sogni Studio), invoke AI models, develop and integrate third-party apps through the Supernet SDK/API.
   ● **Workers** – earn SOGNI for contributing GPU power; 1 % of each claim is automatically burned, moderating supply growth.
   ● **Model Creators & Trainers** – receive SOGNI whenever their models are executed within the ecosystem.
   ● **Community & Collaborations** – use SOGNI in NFT projects, Telegram sticker bots, Discord integrations, and similar initiatives.
   ● **Token Holders** – may stake tokens (single-sided or LP) for additional SOGNI token yield and, once a DAO module is live, vote on protocol upgrades and reward parameters.
5. **Phases of the Offer**: No formal phases.
6. **Discounted Purchases**: No discounted pricing for early purchasers.
7. **Subscription Period**: None.
8. **Crypto-Asset Service Provider (CASP)**: Kraken, In addition to the EU MiCA-compliant offer., the crypto-asset may be made available for trading on third-party platforms that are not established in the EU or licensed under MiCA. These platforms fall outside the scope of this disclosure.
9. **Part I- Information on Risks (Part I of MICA template)**: Refer to **Annex A Detailed Risks**

3. Further Information Sections

Part A - Information about the offeror or the person seeking admission to trading		
A.1	**Name**	AI DREAMS CAPITAL LTD.
A.2	**Legal form**	AI DREAMS CAPITAL LTD. is a British Virgin Islands incorporated entity established on June 20, 2024, serving as the sole issuer of SOGNI tokens. BVI COMPANY NUMBER: 2151499.
A.3	**Registered address**	Morgan & Morgan Building, Pasea Estate, Road Town, Tortola, British Virgin Islands
A.4	**Head office**	Not applicable
A.5	**Registration Date**	2024-06-20
A.6	**Legal entity identifier**	Not issued yet
A.7	**Another identifier required pursuant to applicable national law**	AI DREAMS CAPITAL LTD. is a British Virgin Islands incorporated entity established on June 20, 2024, serving as the sole issuer of SOGNI tokens. BVI COMPANY NUMBER: 2151499.
A.8	**Contact telephone number**	+65-82222631
A.9	**E-mail address**	cecilia@aidreams.capital
A.10	**Response Time (Days)**	Within 3 working days
A.11	**Parent Company**	Not applicable
A.12	**Members of the Management body**	**Name** / **Location** / **Function** Mauvis Ledford / Singapore / Co-Founder & CEO – Strategic lead, governance, product direction Mark Ledford / USA / Co-Founder & CTO – Technology architecture, AI infrastructure lead

		Alejandro Ramos — USA — CPO – Chief Product Officer, responsible for product vision and delivery– UX/UI, token interaction flows Cecilia Tan — Singapore — COO & Director – Operations, risk management, compliance, finance oversight
A.13	**Business Activity**	Operations of *Sogni Supernet* decentralised network; maintenance of Sogni Studio, Pocket & Web apps; commercialisation of GPU services & developer SDKs, building community and Sogni AI generation application education
A.14	**Parent Company Business Activity**	Not applicable
A.15	**Newly Established**	True -yes newly established
A.16	**Financial condition for the past three years**	**Sogni Financial Report** **Unaudited Financial Summary (Jan - May 2025)** **Key Financial Highlights:** **Total Spend** (Jan-May): $626,864 **Average Monthly Spend:** $125,373 **Period-End Balance:** $1,137,308 **Grant Funding:** $100,000 (AWS & Google Cloud) There is an increase of 1 more outsourced design contractor to help with our Sogni website re-design over the last 6 months. Overall, as of June 2025, we have a small, outsourced team of total 10 contractors to do development, design work and handle marketing of our Sogni products across social media (on X, Instagram and Meta Facebook). Operationally, the total spend over the last 6 months goes towards i) Contractor Fees and i) Marketing Spent including press releases and attending crypto conferences to increase user awareness of our Sogni AI brand.
A.17	**Financial condition since registration**	The issuer has maintained a stable financial position since incorporation, funded primarily through shareholder capital and private investment. No material adverse events, insolvency proceedings, or liabilities that would impact the offering have occurred since registration.

Part B - Information about the issuer, if different from the offeror		
B.1	**Issuer different from offeror or person seeking admission to trading**	False -No
B.2	**Name**	AI DREAMS CAPITAL LTD.
B.3	**Legal form**	AI DREAMs CAPITAL LTD is a British Virgin Islands incorporated entity established on June 20, 2024, serving as the sole issuer of SOGNI tokens. BVI COMPANY NUMBER: 2151499.
B.4	**Registered address**	Morgan & Morgan Building, Pasea Estate, Road Town, Tortola, British Virgin Islands
B.5	**Head office**	Not applicable
B.6	**Registration Date**	2024- 06- 20
B.7	**Legal entity identifier**	Not applicable
B.8	**Another identifier required pursuant to applicable national law**	Not applicable
B.9	**Parent Company**	Not applicable
B.10	**Members of the Management body**	**Name** / **Location** / **Function** Mauvis Ledford / Singapore / Co-Founder & CEO – Strategic lead, governance, product direction

		Mark Ledford	USA	Co-Founder & CTO – Technology architecture, AI infrastructure lead
		Alejandro Ramos	USA	CPO – Chief Product Officer, responsible for product vision and delivery– UX/UI, token interaction flows
		Cecilia Tan	Singapore	COO & Director – Operations, risk management, compliance, finance oversight
B.11	**Business Activity**	Operation of the Sogni Supernet decentralized network; maintenance and development of the Sogni Studio, Pocket & Web applications; deployment of mini apps; commercialization of GPU-based rendering services; and delivery of developer SDKs to ecosystem participants.		
B.12	**Parent Company Business Activity**	Not applicable		

Part C – Trading Platform Operator or Other Person Preparing White Paper *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*	
Part C	Not applicable

Part D- Information about the crypto-asset project		
D.1	**Crypto-asset project name**	Sogni AI
D.2	**Crypto-assets name**	SOGNI
D.3	**Abbreviation**	**SOGNI**
D.4	**Crypto-asset project description**	Decentralised inference layer for creative-AI workloads (images, video, LoRA training) using global idle GPUs; dual-tier architecture; privacy-first rendering.
D.5	**Details of all natural or legal persons involved in the implementation of the crypto-asset project**	• Core Team: Mauvis Ledford (CEO), Mark Ledford (CTO), Alejandro Ramos (CPO), Cecilia Tan (COO) • Product & Design: Cole Smith (UI/UX, Product and Design Manager), Jason Festa (Content and Design Director) • Marketing: Chiara Pasqualino • Marketing and Content Strategist), Camilo Aguiar (Marketing, Communications and BD Consultant) • Ecosystem Lead: Natx Wang (Ecosystem Growth Lead) • Advisors: Paul Sebastian, Allen Day and Tal Cohen and legal advisors engaged on a consultancy basis • Crypto-Asset Service Providers: Kraken (In addition to the EU MiCA-compliant offer via Kraken), the crypto-asset may be made available for trading on third-party platforms that are not established in the EU or licensed under MiCA. These platforms fall outside the scope of this disclosure • Contractors: External developers, designers and smart contract auditors (decentralized, global) • Ecosystem Contributor: GPU node operators (decentralized and global)
D.6	**Utility Token Classification**	True- Yes, crypto- asset project concerns utility tokens

D.7	**Key Features of Goods/Services for Utility Token Projects**	On-chain payment for renders; DAO staking & governance; discounted NFT mint fees; Worker-reward emissions (≤ 10% supply).
D.8	**Plans for the token**	High level: Project roadmap: • Main-net Q4-2025 • Video-beta Q1-2026 • Windows client Q1-2026
D.9	**Resource Allocation**	Current allocation of ≈ US $2.8m equity; 15 headcount including employees and contractors (mix of Technology team, Design team and Marketing team); 4m SOGNI Creator & Dev fund
D.10	**Planned Use of Collected Funds or Crypto-Assets**	40% R&D 25% GPU rewards 20% Marketing & community 10% Legal 5% Treasury

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 Utility Token Offering (non-equity, non-security)
E.2	**Reasons for Public Offer or Admission to trading**	The offer is being made to provide access to the Sogni Supernet ecosystem, enable users to utilize AI rendering services, and support community-driven growth and governance. To support the growth and sustainability of the Sogni ecosystem by distributing utility tokens that enable access to Supernet services and incentivize usage. The offer is designed to decentralize participation, attract contributors, and facilitate liquidity for ongoing ecosystem development. Intended Use of Funds: • Continued development of the Supernet infrastructure (DLT, smart contracts), SDKs and mini-apps • AI model refinement and hosting services • Scaling decentralized GPU network • Talent acquisition and team expansion • Security audits, legal compliance, and regulatory readiness • Marketing and community growth and education • Working capital for ongoing operations
E.3	**Fundraising Target**	Not applicable
E.4	**Minimum Subscription Goals**	Not applicable
E.5	**Maximum Subscription Goal**	Not applicable
E.6	**Oversubscription Acceptance**	False- No
E.7	**Oversubscription Allocation**	Not applicable
E.8	**Issue Price**	USD$0.0038

E.9	**Official currency or any other crypto-assets determining the issue price**	USD
E.10	**Subscription fee**	Not applicable.
E.11	**Offer Price Determination Method**	Determined based on internal valuation methodology, market sentiment, and investor feedback during the offering window. The company reserves the right to adjust pricing during each phase of the token sale.
E.12	**Total Number of Offered/Traded Crypto- Assets**	7.7% of 10 billion supply = 770,000,000 tokens
E.13	**Targeted Holders**	ALL
E.14	**Holder restrictions**	The tokens are intended for users within the Sogni ecosystem only. They are not to be offered or sold to residents or citizens of restricted jurisdictions.
E.15	**Reimbursement Notice**	Not applicable - ATTR
E.16	**Refund Mechanism**	
E.17	**Refund Timeline**	
E.18	**Offer Phases**	None.
E.19	**Early Purchase Discount**	Not applicable
E.20	**Time-limited offer**	False -No
E.21	**Subscription period beginning**	Not applicable
E.22	**Subscription period end**	Not applicable
E.23	**Safeguarding Arrangements for Offered Funds/Crypto-Assets**	Not applicable
E.24	**Payment Methods for Crypto-Asset Purchase**	Payments are accepted exclusively in USDC and ETH. Participants are provided with a project smart contract address to which payment must be made.
E.25	**Value Transfer Methods for**	Not applicable – we do not collect or hold funds from purchasers that would trigger a

	Reimbursement	reimbursement.
E.26	**Right of Withdrawal**	
E.27	**Transfer of Purchased Crypto-Assets**	
E.28	**Transfer Time Schedule**	
E.29	**Purchaser's Technical Requirements**	
E.30	**Crypto-asset service provider (CASP) name**	KRAKEN, In addition to the EU MiCA-compliant offer via Kraken., the crypto-asset may be made available for trading on third-party platforms that are not established in the EU or licensed under MiCA. These platforms fall outside the scope of this disclosure
E.31	**CASP identifier**	**VIA Kraken** **Payward Europe Solutions Limited**: CBI Registration No. C468360 **Payward Global Solutions Limited**: CBI Registration No. C559106
E.32	**Placement form**	Refer to this form
E.33	**Trading Platforms name**	Kraken
E.34	**Trading Platforms** **Market Identifier Code (MIC)**	**MIC Code**: PGTP **Market Name**: Payward Global Trading (Kraken) .
E.35	**Trading Platforms Access**	Global, web access
E.36	**Involved costs**	Not applicable
E.37	**Offer Expenses**	

Category	Amount (USD)	Description
Legal & Compliance	165,000	Legal and compliance advisory and official white paper review
Kraken Listing Fee	50,000	Token listing on Kraken (Marketing)
Smart Contract Audit	14,000	Code audit by Hashlock audit firm
Marketing & PR	80,000	Campaign for token launch awareness
Custody	9,000	Setup with licensed

		Setup Magna crypto custodian **Total** **318,000**
E.38	**Conflicts of Interest**	The issuer declares that, to the best of its knowledge, there are no existing or foreseeable conflicts of interest that would impair the fair conduct of the offering or investor decision-making.
E.39	**Applicable law**	British Virgin Islands where AI Dreams Capital is incorporated.
E.40	**Competent court**	Any dispute arising out of or in connection with this offering shall be subject to the exclusive jurisdiction of the courts of the **British Virgin Islands**.

Part F - Information about the crypto-assets		
F.1	**Crypto-Asset Type**	Utility token (OTHR) – ERC-20, 18 decimals
F.2	**Crypto-Asset Functionality**	Utility for renders; DAO staking & governance; discounted NFT mint fees; Worker-reward emissions (≤ 10% supply).
F.3	**Planned Application of Functionalities**	The native SOGNI utility token will power payments, staking, governance and model-royalty flows. The network processed 71 million test-net renders and onboarded 359,000 registered artists by March 2025. DAO staking & governance; discounted NFT mint fees; Worker-reward emissions (≤ 10% supply).
F.4	**Type of white paper**	OTHR
F.5	**The type of submission**	NEWT
F.6	**Crypto-Asset Characteristics**	Refer to this template submitted and for any other information, refer to Whitepaper attached in Annex B or contact me at cecilia@aidreams.capital.
F.7	**Commercial name or trading name**	SOGNI
F.8	**Website of the issuer**	https://Sogni.ai
F.9	**Starting date of offer to the public or admission to trading**	Target 2025-07
F.10	**Publication date**	2025-07-01
F.11	**Any other services provided by the issuer**	Not applicable
F.12	**Identifier of operator of the trading platform**	MIC Code: PGTP Market Name: Payward Global Trading (Kraken) .
F.13	**Language or languages of the white paper**	English

F.14	**Digital Token Identifier Code used to uniquely identify the crypto-asset or each of the several crypto assets to which the white paper relates, where available**	Not yet assigned
F.15	**Functionally Fungible Group Digital Token Identifier, where available**	Not available / Not applicable (no group assignment issued)
F.16	**Voluntary data flag**	True – Voluntary
F.17	**Personal data flag**	False - No
F.18	**LEI eligibility**	Yes, Not yet assigned.
F.19	**Home Member State**	Home Member State: Ireland (Via Kraken as CASP)
F.20	**Host Member States**	Host Member States- (Total: 26, Home state being : IE Ireland (IE) via Kraken as CASP) 1. AT Austria (AT) 2. BE Belgium (BE) 3. BG Bulgaria (BG) 4. HR Croatia (HR) 5. CY Cyprus (CY) 6. CZ Czech Republic (CZ) 7. DK Denmark (DK) 8. EE Estonia (EE) 9. FI Finland (FI) 10. FR France (FR) 11. DE Germany (DE) 12. GR Greece (GR) 13. HU Hungary (HU) 14. IT Italy (IT) 15. LV Latvia (LV) 16. LT Lithuania (LT) 17. LU Luxembourg (LU) 18. MT Malta (MT)

		19. NL Netherlands (NL) 20. PL Poland (PL) 21. PT Portugal (PT) 22. RO Romania (RO) 23. SK Slovakia (SK) 24. SI Slovenia (SI) 25. ES Spain (ES) 26. SE Sweden (SE) **Optional EEA Member States (Non-EU)** 1. IS Iceland 2. LI Liechtenstein 3. NO Norway

Part G - Information on the rights and obligations attached to the crypto-assets		
G.1	**Purchaser Rights and Obligations**	Purchasers of SOGNI utility tokens gain access to specific features of the Sogni AI platform such as generative rendering credits, creative tools, and community engagement features. Purchasers do not gain ownership, profit-sharing, nor equity rights in the issuer.
G.2	**Exercise of Rights and obligations**	Rights are exercised through the Sogni platform interface. Token-holders can access services by connecting a compatible wallet. Conditions of use are governed by the platform's Terms of Service.
G.3	**Conditions for modifications of rights and obligations**	AI Dreams Capital may amend token utility features subject to platform updates, legal or regulatory obligations. Material changes will be communicated in advance via official channels.
G.4	**Future Public Offers**	The issuer may conduct future public offerings or reward-based distributions at its discretion. Future offers will be disclosed via official communications of CASP or authorized businesses.
G.5	**Issuer Retained Crypto-Assets**	200,000,000
G.6	**Utility Token Classification**	True- Yes
G.7	**Key Features of Goods/Services of Utility Tokens**	SOGNI tokens allow access to high-resolution generative art tools, prompt refinement AI features, and participation in creative challenges within the Sogni platform. Please refer to https://Sogni.ai
G.8	**Utility Tokens Redemption**	Tokens are redeemed automatically on the platform when used for services. No manual redemption is required. Tokens are "utilized as-you-go", as you use the applications to render images/videos etc.
G.9	**Non-Trading request**	False
G.10	**Crypto-Assets purchase or sale modalities**	SOGNI tokens may be traded on supported crypto-asset service providers (CASPs) or peer-to-peer platforms following the offer, subject to applicable laws.

G.11	**Crypto-Assets Transfer Restrictions**	There are no contractual restrictions on transferability. Technical limitations such as vesting schedules or smart contract conditions may apply to specific allocations.
G.12	**Supply Adjustment Protocols**	False - No
G.13	**Supply Adjustment Mechanisms**	Not applicable
G.14	**Token Value Protection Schemes**	False- No
G.15	**Token Value Protection Schemes Description**	Not applicable
G.16	**Compensation Schemes**	False - No
G.17	**Compensation Schemes Description**	Not applicable
G.18	**Applicable law**	British Virgin Islands (BVI) law, with MiCA regulatory compliance for public offers in the EU.
G.19	**Competent court**	Courts of the British Virgin Islands shall have exclusive jurisdiction, without prejudice to EU consumer rights.

Part H – information on the underlying technology		
H.1	**Distributed ledger technology**	SOGNI is an ERC-20 token on Base, an Ethereum L2 roll-up that inherits Ethereum's proof-of-stake security. The current testnet operates on Base Sepolia, with main-net launch planned for the Token Integration Event (TIE).
H.2	**Protocols and technical standards**	Technical Specifications: Transaction throughput: ~10,000 TPS Average block latency: <1 second Network: Base (Ethereum L2)
H.3	**Technology Used**	Not applicable
H.4	**Consensus Mechanism**	Base is a Layer 2 (L2) blockchain built on the Optimism stack and secured by Ethereum.
H.5	**Incentive Mechanisms and Applicable Fees**	Incentive mechanisms include: Usage-based rewards: Users may receive bonus credits or tokens based on creative output, community engagement, or milestone achievements on the platform. Tiered utility benefits: Early adopters holding SOGNI unlocks access to premium generative tools and early features. Community contests: Token holders can participate in creative challenges or seasonal campaigns to earn recognition or limited-edition assets. Applicable fees: Transaction fees (gas fees) covered by platform to allow Web2 users ease of use. All incentives are utility-based and non-guaranteed Fees are transparent and linked to platform access and L2 blockchain usage
H.6	**Use of Distributed Ledger Technology**	'false' – No, DLT not operated by the issuer or a third-party acting on the issuer's behalf. The crypto-assets are issued, transferred, and stored using a distributed ledger technology operated by an independent third party (Base/Ethereum). The issuer does not operate or control the underlying DLT.

H.7	**DLT Functionality Description**	Token issuance and transfer: SOGNI tokens are issued via smart contracts and can be transferred peer-to-peer across compliant wallets. Security and data availability: Transaction data is posted to Ethereum, ensuring decentralized availability, fraud resistance, and censorship protection. Interoperability: The Base network supports standard Ethereum tooling, enabling integration with wallets, dApps, and CASPs.
H.8	**Audit**	A full security audit of the SOGNI smart-contracts was performed by Hashlock Pty Ltd in July 2025. No critical or high-severity issues remain open. Report reference can be found on: https://hashlock.com/audits/sogni
H.9	**Audit outcome**	

Part J – Information on the sustainability indicators in relation to adverse impact on the climate and other environment-related adverse impacts		
J-1	Adverse impacts on climate and other environment-related adverse impacts	No adverse impact analysis available yet Project aims for low-carbon footprint by using energy-efficient L2 chains like Polygon and Mac GPU's which consume less energy and are friendlier to the environment.

Annex A – SOGNI Token Risk Summary

You should consider carefully the risks described below, together with all of the other information contained in any offer documents, before making a decision to participate in our network and SOGNI token. The following risks entail circumstances under which Supernet, the Sogni Tokens, and their related operations and prospects could suffer. They may also be harmed by additional risks and uncertainties not currently known or that we currently do not believe to be material.

1 Offer-Related Risks

- No guarantee that SOGNI Tokens will be released or integrated as planned.
- Issuance may proceed even if regulatory or funding requirements are unmet.
- Changes to offering scope and token characteristics may occur at management's discretion.
- No specific allocation of proceeds; decisions are discretionary and may not yield expected results.
- Timing of integration is uncertain and contingent on multiple external factors.
- Tokens are issued 'as is' without warranty or promise of value.

2 Issuer-Related Risks

- Lack of operational history and dependency on third-party inputs.
- Dependence on key personnel, including founders with familial ties, posing succession risks.
- Conflicts of interest due to overlapping interests with other ventures.
- Limited governance mechanisms; decisions made by related but distinct entities.
- Intercompany dependencies may lead to fragmentation or coordination failures.

3 Crypto-Assets-Related Risks

- Regulatory ambiguity could result in reclassification as securities or commodities.
- Market volatility may lead to illiquidity or token collapse.
- No guarantee of secondary markets or exchange listings.
- Competitor projects, forks, or clones may erode token value.
- AI-generated content rights and token use cases may be legally challenged.

4 Project Implementation-Related Risks

- Failure to meet roadmap targets could undermine adoption.
- Dependence on GPU providers and external contractors.
- Ecosystem success is uncertain; abandonment is possible at any stage.

5 Technology-Related Risks

- **Risks include wallet incompatibility and permanent token loss -** Purchasers must ensure that their wallet is compatible with the Base blockchain (Ethereum L2) and meets the technical requirements needed to receive and store SOGNI Tokens.

Wallet addresses that are not compliant may be rejected and attempts to transfer tokens to incompatible wallets may result in permanent loss. Additionally, if a Purchaser provides an incorrect wallet address, the Company bears no responsibility for resulting losses. The Company reserves the right to modify wallet compatibility requirements in its sole discretion.

- **Private Key Management and Credential Risks** - SOGNI Token balances are tied to wallets controlled by private keys. Purchasers are solely responsible for managing their private keys and credentials securely. The Company will never ask for private keys and will not be able to assist with key recovery. Loss, theft, or compromise of private keys may result in complete loss of tokens. Token holders should use best practices such as offline (cold) storage, multiple backups stored in separate physical locations, and strong password hygiene to protect their credentials.
- **Cybersecurity and Unauthorized Access** - Token holders are at risk from cyberattacks including phishing, spoofing, malware, and other threats that may compromise wallets or systems used to access SOGNI Tokens. If a third party gains unauthorized access to a wallet, whether through stolen credentials, malware, or a breach of a third-party wallet provider, they may misappropriate the tokens. The Company disclaims liability for losses arising from unauthorized access, including attacks on Purchasers' devices or service providers.
- **Smart Contract and Token Security Vulnerabilities** - The SOGNI Tokens rely on smart contracts and infrastructure operating on the Base blockchain. These systems may contain bugs, may be exploited through known or unknown vulnerabilities, or may behave in unexpected ways. An attack, failure, or unintended behavior could impair the token's functionality or cause financial losses. While the Company aims to use audited and reputable components, all smart contracts carry inherent risk.
- **Risks Associated with Blockchain Protocol Dependency** - SOGNI Tokens are built specifically on the Base blockchain. Technical issues, governance failures, or regulatory challenges affecting the Base network may disrupt token availability or functionality. If the Base blockchain is abandoned or suffers a systemic failure, the Company may be unable to support the continued operation of SOGNI Tokens.
- ***Technological Obsolescence and Market Shifts*** - Blockchain protocols and consumer technologies evolve quickly. A newer, more efficient protocol or business model could displace the Sogni ecosystem. Shifts in developer or user interest away from the Base blockchain or the ecosystem could reduce token demand or undermine token functionality.

For further detailed Risk factors and mitigation where possible**,** refer to attachment

SogniAI_Risk_Factors (1).pdf

6 Risk Mitigation Measures taken by Company

As with all emerging technology ventures, particularly those operating in the blockchain and digital space, the development and deployment of tokens like SOGNI involve a wide spectrum of risks—including but not limited to regulatory uncertainty, technological vulnerabilities, market volatility, and operational dependencies as mentioned. These risks are inherent to the innovation cycle and typical of early-stage tech startups pushing the boundaries of new ecosystems. The Company remains fully committed to proactively identifying, disclosing, and adapting to such risks through continuous compliance, security reviews, governance oversight, and strategic realignment to safeguard the long-term viability and integrity of the project. Current risk mitigation measures taken include:

- Technical policies and safeguards include wallet compatibility standards and best practices for key management are in practice in Sogni AI application development practices.
- Ecosystem policies and system implemented safeguards limit misuse and include community standards that are being adhered and monitored by our Community moderators and developers.
- Our Sogni token uses L2 blockchain (Polygon/Base) aims to reduce environmental and gas cost impact.
- Inclusion of disclosure on token risk factors and disclaimers provided in offering documents.
- A full security audit of the SOGNI smart-contracts was performed by Hashlock Pty Ltd in July 2025. No critical or high-severity issues remain open. Report reference can be found on: https://hashlock.com/audits/sogni

ANNEX B

Sogni White Paper: https://whitepaper.sogni.ai

Sogni
Whitepaper v1.03