PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE Alchemist AI (ALCH)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading ALCH. 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 <u>Risk Summary</u> 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 Alchemist AI and how does it work?

Alchemist AI is a no-code development platform that enables users to create applications through simple, natural language inputs without writing code. By leveraging a Large Language Model (LLM), the platform interprets user instructions and automatically generates application logic, front-end code (HTML, CSS, JavaScript), and deploys it in a secure sandbox environment for immediate testing and use. Alchemist AI is designed for users of all technical backgrounds and supports features such as multiplayer game creation, third-party API integrations, image generation, and personal API key connections. These features allow users to build dynamic tools, utilities, and games directly from a chat interface without needing developer experience.

The ALCH token is the native utility token of the Alchemist AI platform. It is used to access premium AI tools and to support transactions within the platform's Marketplace, where users can buy, sell, or tip using ALCH.

Who is behind the project?

The Alchemist AI project does not publicly list the names of the individuals, team members, or company entities responsible for developing the platform.

Tokenomics of ALCH

The total supply of ALCH is 1,000,000,000 tokens which is distributed as follows:

| ALCH Allocation | ALCH tokens | % of Total supply |
|-----------------|-------------|-------------------|
| Liquidity Pool | 850,000,000 | 85% |

| Marketing | 50,000,000 | 5% |
|----------------------|---------------|------|
| Treasury & Ecosystem | 70,000,000 | 7% |
| Team | 30,000,000 | 3% |
| Total | 1,000,000,000 | 100% |

General Risks

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

Due Diligence

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

Payward Ltd (trading as Kraken) is registered as a cryptoasset firm with the Financial Conduct Authority (FRN: 928768) registered office at 6th Floor, One London Wall, London, EC2Y 5EB. Cryptoasset services offered by Payward Ltd are unregulated and not covered by the Financial Services Compensation Scheme as well as the FCA's consumer protection regulations. Note the value of cryptoassets can go down as well as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.