

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Theoriq (THQ)

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Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading THQ. 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 Crypto Asset Statement is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is THQ and how does it work?

Theoriq is a decentralized protocol that lets autonomous AI agents (“swarms”) coordinate and perform on-chain financial tasks. The Alpha protocol provides primitives for agent autonomy, swarm coordination, and reputation, enabling agents to collaborate on DeFi strategies. AlphaSwarm automates on-chain liquidity provisioning, yield optimization, and trading, with specialized agents rebalancing positions, rotating liquidity, and acting across venues as conditions change.

THQ is the network’s utility token. At the time of writing, the token is not yet live. The token is intended for access, staking, and incentive alignment. Holders can stake THQ to mint sTHQ (which earns emissions); time-locking sTHQ in the AlphaLocker mints non-transferable α THQ with time-weighted power. Delegated α THQ acts as slashable collateral for agents, may confer fee discounts, and can share in rewards. Protocol fees from agent activity (e.g., strategy execution, vault management) help fund rewards and sTHQ buybacks.

Who is behind the project?

Theoriq was founded by Ron Bodkin, David Mueller and Arnaud Flament.

Tokenomics of THQ

The total supply of THQ is 1 billion tokens, which is distributed as follows:

Category	Percentage
Community	18%

Treasury	28%
Core Contributors	24%
Investors	30%
Total	100%

General Risks

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

Competition

The Theoriq network faces competition from other on-chain AI agent platforms and AI/DeFi protocols such as Fetch.ai/SingularityNET (ASI), Autonolas (OLAS), Bittensor (TAO), and many others. THQ's value derives from its broader adoption in the market. If the Theoriq network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of THQ.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on THQ and determined it was permitted to make THQ available for trading to UK users. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of THQ, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created THQ;
- The supply, demand, maturity, utility and liquidity of THQ;
- Material technical risks associated with THQ, including any code defects, security breaches and other threats concerning THQ 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 THQ, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of THQ, 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 THQ about whether THQ, 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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