

RISK FACTORS

A purchase of Sogni Tokens involves a high degree of risk. You should consider carefully the risks described below, together with all of the other information contained in this Private Placement Memorandum and the Offering Documents, before making a decision to participate in this Offering. 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.

UNLESS EXPRESSLY SET OUT HEREIN, THE COMPANY SPECIFICALLY DOES NOT REPRESENT AND WARRANT AND EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION MATERIALS, THE SOGNI TOKENS, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATIONS OR WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, OR AS TO THE WORKMANSHIP OR TECHNICAL CODING THEREOF, OR THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT. THE COMPANY DOES NOT REPRESENT OR WARRANT THAT SOGNI TOKENS ARE RELIABLE, CURRENT, OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN THE SOGNI TOKENS WILL BE CORRECTED. THE COMPANY CANNOT AND DOES NOT REPRESENT OR WARRANT THAT SOGNI TOKENS OR THE DELIVERY MECHANISM FOR THE SOGNI TOKENS IS FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.

A significant amount of further work may be required in order for the Company to integrate the Sogni Tokens into Supernet and much of that work may be subject to regulatory approval and otherwise reliant on the input or consent of other persons not under the control of the Company. The success of the Sogni Tokens is reliant upon the Company (i) raising sufficient resources to fund the ongoing development of the Sogni Tokens; and (ii) complying with ongoing funding, reserve and/or regulatory requirements (as relevant) related to the proposed creation and operation of the Sogni Tokens (collectively, the “**Regulatory and Funding Requirements**”).

There is a significant risk that the Sogni Tokens are not developed as envisaged herein. The Company, in the sole and absolute discretion of the board of directors, reserves the right to modify, extend, reduce, eliminate, add and/or substitute the scale, scope, business lines, operations, and any other characteristics of the Sogni Tokens in order to address any actual or perceived commercial, legal, regulatory or other matters that the board of directors, in its sole and absolute discretion, considers relevant at any time.

The Company may issue Sogni Tokens even if there are material changes to the scale, scope, business lines, operations, and any other characteristics of the Sogni Tokens or Supernet or if the Company or its affiliates have not satisfied (or are unlikely to satisfy) any regulatory and funding requirements or any other regulatory, commercial or legal requirements with respect to the Sogni Tokens. No promises of future performance or value are or will be made with respect to the Sogni Tokens, including no promise of inherent value, no promise of continuing payments, and no guarantee that the Sogni Tokens will hold any particular value.

The Company is developing the Sogni Tokens to be used with respect to Supernet. Subject to applicable law and the cautionary statements and risk factors contained in Private Placement

Memorandum, upon the Sogni Token Integration Event, Supernet will accept any duly presented Sogni Tokens in exchange for privileges and other benefits related to such Sogni Tokens from time to time on Supernet.

The precise terms of the privileges and other benefits of the Sogni Tokens will be determined by the Company as the owner of Supernet in its sole and absolute discretion from time to time. Such privileges and benefits will initially be determined by such person on or around the Sogni Token Integration Event and may be amended thereafter at any time and without notice to, or consent from, any holder of Sogni Tokens. Any such determination or amendment shall not be a breach of the terms of this Offering.

The Sogni Tokens are provided on an “as is” and “as available” basis, without warranty of any kind, either expressed or implied, including, without limitation, warranties that the Sogni Token is free of defects, vulnerabilities, merchantable, fit for a particular purpose or non-infringing. Any use of the Sogni Tokens shall be at your own risk. In no event shall the Company be held liable in connection with or for any claims, losses, damages, or other liabilities, whether in contract, tort, or otherwise, arising out of or in connection with the Sogni Tokens or its operation or use or be under any obligation to support, develop or otherwise maintain or promote the use of Supernet or the integration of the Sogni Tokens into Supernet.

While the Sogni Tokens are available only to contributors that are not Prohibited Persons there is the possibility that Sogni Tokens could be acquired over time or following changes in the regulatory landscape by persons in other jurisdictions currently restricted from acquiring Sogni Tokens and, accordingly, the risk factors set out below may include certain risk factors specific to certain jurisdictions even though the Company will not at present make the Sogni Tokens available at this time to persons from such jurisdictions.

BY PARTICIPATING IN ANY ACQUISITION OF TOKENS, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME ALL RISKS RELATED THERETO INCLUDING (WITHOUT LIMITATION) THE RISKS SET OUT BELOW.

Token Issuance and Integration Risks for Sogni

No Guarantee that SOGNI AI Tokens Will be Released

The Company may change its plans for issuing SOGNI Tokens for various reasons, including changes to its business model, technology limitations, or lack of demand. If the Company ceases operations, undergoes insolvency or liquidation, or assigns its assets and liabilities for the benefit of creditors, it may never issue the SOGNI Tokens. If the Token Integration Event does not occur or issuance does not proceed as planned, Purchasers may receive only some or none of their tokens. Issuance remains within the sole discretion of the Company.

No Guarantee on Timing of Token Integration Event

-There is no assurance that the Token Integration Event will occur, or when it will occur. Its timing is subject to business, technical, legal, and regulatory contingencies, many of which are outside the Company's control.

Uncertainty Around SOGNI Token Launch

Many factors could influence the success of the Company and the SOGNI Tokens, including external developments beyond the Company's control. Even if issued, the tokens may not function as intended. Token integration into the ecosystem depends on infrastructure, adoption, and ongoing development. Purchasers may not receive tokens as expected, and their functionality could be limited.

SOGNI Token Integration and Ecosystem Participation

The success of the Token Integration Event and ongoing token usage depends on user adoption, sustained technical performance, and ecosystem engagement, all of which are outside the sole control of the Company. Declining interest, regulatory constraints, or failure to implement promised services may reduce the utility of the tokens.

Malfunction, Funding Limitations, and Development Failures

The implementation of the SOGNI Tokens relies on continued funding, adequate personnel, and the cooperation of external stakeholders. Because the Company functions solely as the token issuing entity, integration into the Sogni ecosystem depends on actions and decisions made by AI Dreams Capital Ltd. and its affiliated entities. The Company may abandon development or modify the project due to technical or strategic challenges, including decisions by AI Dreams Capital Ltd., which oversees governance and token allocation. These risks could impair or eliminate the utility of the tokens.

Risk of Wallet Incompatibility and Loss from Incorrect Address

Purchasers must use a wallet compatible with the designated blockchain standard. Wallets that do not meet technical requirements may be rejected, and attempts to transfer tokens to incompatible addresses may result in irreversible loss. The Company may prescribe technical standards and is not responsible for losses arising from incorrect or non-compliant wallet submissions.

Risks Associated with Your Credentials and Cybersecurity Best Practices

Purchasers are solely responsible for the secure storage and use of their private keys and wallet credentials. The Company will never request such information. Loss of private keys, exposure to phishing, and inadequate credential management may result in permanent loss of tokens. Token holders are urged to follow best practices including offline storage, backup of keys, and safeguarding access.

Risk of Regulatory Delay or Non-Issuance

Governmental approvals or regulatory reviews may be required for token issuance. Delays or failure to obtain necessary approvals could impact the timing or prevent the issuance of SOGNI Tokens.

Risk that the SOGNI Tokens Will Not Meet Expectations

The SOGNI Tokens may not function as anticipated by Purchasers or the Company. Use cases may not materialize, technical integration may encounter obstacles, or market acceptance may not be achieved. As a result, token functionality and value could be materially diminished.

Wallet, Custody, and Technical Security Risks

Wallet Compatibility and Private Key Security

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.

Blockchain and Crypto Industry Risks

Evolving Industry and Market Volatility

The digital asset and blockchain industry remains in flux. Factors such as global regulation, consumer behavior, speculative bubbles, or technological stagnation could impair the adoption of the SOGNI Tokens. Despite prior growth, the pace of adoption and development may slow, limiting token usage. The value of digital assets generally, including SOGNI Tokens, may fluctuate significantly and decline without warning. The broader macroeconomic environment, including inflation, rising interest rates, or financial instability, could further compound these risks.

Illiquid or Non-Existent Market

There is no guarantee that a liquid or functioning market for SOGNI Tokens will develop. Any value ascribed by third-party exchanges may be highly volatile or fall to zero. Exchange operations may be unreliable, subject to regulatory uncertainty, or exposed to fraud. Exchanges may delist or suspend SOGNI Tokens at any time. Even if tokens become listed, there may be insufficient depth or trading activity to support liquidity. Additionally, certain lockups or restrictions applicable to this Offering may prevent resale or delay market access for token holders.

Competition and Token Viability

The SOGNI Tokens face competition from other platforms and technologies, including those using similar open-source code. Competitors may have superior resources or IP protection. Forks, clones, or reverse-engineered alternatives may diminish the value of the Sogni ecosystem. A competing platform may launch similar products with improved user experience, greater adoption, or better security features, thereby displacing SOGNI Tokens in the market. Additionally, centralized platforms with greater financial backing or customer base may capture market share at the expense of decentralized or niche offerings like Sogni.

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.

AI Image Generation and Content Creation Risks

Sogni's focus on AI-powered image generation introduces unique risks. Supernet relies on AI models that may be subject to regulatory scrutiny or restrictions in certain jurisdictions. The quality and reliability of AI-generated content depends on the underlying models, which may become outdated or restricted due to intellectual property disputes. The legal status of AI-generated content ownership remains uncertain in many jurisdictions, potentially affecting the value proposition of Sogni's creative ecosystem. Competitive offerings from established companies like Midjourney, or better-capitalized crypto projects may limit Sogni's growth. If the GPU network fails to attract sufficient providers, rendering quality and speed may be compromised, reducing Supernet's adoption.

Regulatory, Legal, and Taxation Risks

Uncertainty of Regulatory Landscape

The legal and regulatory framework applicable to blockchain technologies and cryptographic tokens remains unsettled across many jurisdictions. Regulators may apply existing laws or introduce new requirements targeting the issuance, exchange, transfer, or use of tokens. Changes in laws or interpretations could require the Company to alter the SOGNI Tokens' structure or discontinue development. The Company may also be compelled to restrict token use in certain jurisdictions, limiting functionality and marketability.

Risk of Money Transmission Regulation and Virtual Currency Licensing Requirements

The Company has taken the position that it is not engaged in regulated virtual currency business activity under the New York BitLicense framework or similar laws in other U.S. states. However, regulators may disagree. If the Company is deemed to operate a money transmission business, it may be required to obtain licensure, cease operations in affected jurisdictions, or restructure token

delivery. The BitLicense framework imposes extensive operational burdens, including cybersecurity, AML, and capital standards. States such as California and Texas may apply varying interpretations of money transmission laws. Enforcement actions could delay or suspend ecosystem development and impair token value.

Federal and State Money Services Business (MSB/MTL) Risks

The Company may be subject to federal MSB registration under the Bank Secrecy Act and FinCEN rules. MSB status would impose AML obligations, transaction monitoring, recordkeeping, and potential reporting requirements. FinCEN guidance suggests token issuers, custodians, or transfer agents may fall within MSB scope. Failure to register or comply may expose the Company to civil or criminal penalties and force a change in token issuance or ecosystem operations.

Securities Law Exemption Risks

This offering involves both U.S. and non-U.S. components, relying on distinct exemptions under applicable securities laws. If a court or regulator determines that the offering structure improperly integrates these components or fails to meet the requirements of either exemption, the consequences could include:

- Rescission rights for investors and repayment obligations;
- Recharacterization of the offering as a public, non-exempt offering subject to registration;
- Extension of lock-up or transfer restrictions;
- Regulatory enforcement actions and fines;
- Adverse impacts on project development and available funds.

Although the Company believes it has taken reasonable steps to comply with applicable securities laws, purchasers bear the risk that one or more regulators may disagree with this assessment.

Risk of Classification as Futures, Swaps, or Other Regulated Instruments

Due to the deferred delivery nature of the tokens and their link to an underlying blockchain ecosystem, SOGNI Tokens could be deemed a commodity interest subject to regulation under the Commodity Exchange Act. The CFTC or other regulators may interpret the offering or use of SOGNI Tokens as constituting a swap, security-based swap, or futures contract. If so, the Company would face additional compliance burdens, including registration, recordkeeping, and reporting, or may be required to cease token issuance entirely.

Regulatory Risk from Ecosystem Participants

Users of the Sogni ecosystem may themselves be subject to regulatory obligations, such as KYC/AML compliance, licensing, or consumer protection standards. If third parties fail to comply or if ecosystem design enables unlawful activity, the Company may face indirect enforcement risk, reputational damage, or demands for structural changes.

Taxation Risks

The tax treatment of SOGNI Tokens remains highly uncertain. Depending on jurisdiction, the acquisition, holding, or use of SOGNI Tokens could trigger various tax obligations, including income, capital gains, withholding, or reporting requirements. Any reward, appreciation, or use of the tokens may generate additional tax liabilities. Each Purchaser is solely responsible for consulting tax advisors to assess potential tax consequences. Improper classification or reporting could expose token holders or the Company to penalties or back taxes.

Operational, Personnel, and Governance Risks

Operating History

The Company has little operating history in the blockchain industry, which continues to be evolving and may not develop as expected. The Company's historical performance does not necessarily reflect future performance or the likelihood of the success of the SOGNI Tokens. A significant amount of work was required in order to create the SOGNI Tokens and implement the SOGNI Token into the Sogni ecosystem and much of that work is reliant on the input or consent of other persons not under the control of the Company. Assessing the business and future prospects of the Company is challenging in light of the risks and difficulties the Company may encounter. These risks and difficulties include but are not limited to, their ability to:

- navigate complex and evolving regulatory and competitive environments;
- obtain the requisite regulatory and other licenses in the relevant jurisdictions;
- obtain and retain customers;
- successfully develop, maintain, and update internal controls to manage compliance within an evolving and complex regulatory environment;
- effectively identify and react to market trends;
- be involved in the successful development and deployment of the SOGNI Tokens;
- implement new products and services;
- successfully execute the Company's funding strategy;
- effectively compete with other companies;
- successfully navigate economic conditions and fluctuations in the market;
- effectively manage the growth of the business;
- continue to develop, maintain, and scale the SOGNI Tokens;
- effectively use finite personnel and technology resources;
- effectively maintain and scale financial and risk management controls and procedures;
- maintain the security of technology infrastructure, and the confidentiality of the information provided and utilized therein;
- attract, integrate, and retain qualified employees and contractors.

Dependence on Key Personnel and Recruitment Challenges

The Company's success, and that of the Sogni ecosystem, depends heavily on the continued services of a small number of key personnel, including the co-founders Mauvis and Mark Ledford. These individuals are responsible for strategic decisions and relationships critical to the growth of the Sogni ecosystem. The loss or unavailability of any key personnel could delay development efforts and materially impact operations. Recruiting individuals with specialized knowledge of blockchain, AI image generation, decentralized GPU networks, and compliance remains highly competitive.

Key Person Concentration and Family Relationship Risk

The Company's success depends heavily on the continued services of two key individuals, Mauvis Ledford (CEO) and Mark Ledford (CTO), who are twin brothers. This family relationship creates a concentration of control and decision-making authority that may present unique risks to the business. If one brother were to leave the business, the other might also be more likely to depart, potentially resulting in a simultaneous loss of both the CEO and CTO. Additionally, family dynamics could influence business decisions, corporate governance practices, and internal controls

in ways that might not always align with the interests of token holders or other stakeholders. Disagreements between the brothers could potentially lead to operational disruption or strategic paralysis. While their shared background and complementary skills may be beneficial, this familial relationship may also complicate succession planning and independent oversight. The Company may face challenges in implementing governance structures that ensure decisions are made objectively and in the best interest of all stakeholders, particularly if interests diverge over time.

Distributed GPU Network and Outsourced Functions

Substantially all of the Company's AI rendering services rely on a distributed network of GPU providers and third-party contractors under service agreements. This decentralized approach increases the risk of operational disruption if GPU providers withdraw from the network, service quality degrades, or technical issues arise. Because the Company does not directly control the GPU hardware performing critical services, it may have limited ability to ensure consistent performance or may experience delays in scaling capacity to meet demand.

Conflicts of Interest

There may be circumstances where the Company's principals or developers have personal, financial, or professional interests in other ventures, including competing platforms or blockchain initiatives. These conflicts may influence business decisions, including those related to governance, project timelines, or resource allocation. Additionally, individuals involved in the offering or development of the SOGNI Tokens may profit from trading activities, token structuring, or relationships that are not aligned with the interests of other Purchasers. Purchasers should be aware that no fiduciary duties are owed, and no mechanism exists to resolve internal conflicts in favor of token holders.

Decentralized Governance Risk

Governance rights and decisions relating to token allocation, Supernet's delivered functionality, and the use of proceeds are ultimately directed by AI Dreams Capital Ltd., not the Company. Decentralized decision-making mechanisms may lead to outcomes that do not reflect the interests of all participants. The lack of enforceable accountability measures or dispute resolution processes can further weaken governance integrity.

Structural, Jurisdictional, and IP Risks

Complex Entity Structure and Jurisdictional Exposure

The Company operates through affiliated entities in multiple jurisdictions, including Singapore, BVI, and the Cayman Islands. This cross-border structure introduces legal, tax, operational, and regulatory risk. Regulatory or enforcement actions in one jurisdiction may affect the ability of other entities to perform key obligations. Inconsistent legal interpretations, limited enforceability of agreements across borders, and evolving regulatory standards in each jurisdiction increase uncertainty and potential liability.

Intercompany Agreements and Operational Dependence

The Company's operations rely on master services agreements and intercompany arrangements between affiliated entities. If any of these agreements are invalidated, breached, or become unenforceable, the ability to manage resources, enforce IP rights, or allocate revenue may be impaired. Failure to coordinate among the entities could result in delays or failure to deliver the SOGNI Tokens or support Supernet.

IP Infringement and Enforcement Limitations

The Company may be accused by third parties of infringing software, design, or branding rights. IP claims are common in emerging technology sectors, particularly in AI-generated content, and the Company may not have sufficient resources to defend against such claims. Even where the Company owns proprietary algorithms or content, enforcing those rights globally may be prohibitively expensive or legally infeasible.

Open Source and Cloning Risks

The Sogni ecosystem relies on open-source technologies and protocols that may be freely copied or forked. A third party could recreate key Supernet components and release a competing product that undermines Sogni's adoption or reputation. The Company may be unable to prevent others from mimicking functionality or using similar branding, especially in jurisdictions where it lacks trademark protection.

AI-Generated Content Copyright and Ownership Risks

The legal status of AI-generated content remains uncertain in many jurisdictions. Users creating content with Sogni's AI tools may face disputes over ownership, copyright, or licensing rights to the generated images. Supernet's approach to content ownership may be challenged by regulatory changes or court decisions that redefine rights to AI-generated works. This uncertainty could undermine a core value proposition of Supernet and reduce token utility.

Platform Misuse and Unauthorized Use

The open nature of blockchain systems makes them susceptible to use by unauthorized or malicious actors. Minors, persons from restricted jurisdictions, or sanctioned individuals may attempt to use the Sogni ecosystem despite user restrictions. The Company may have limited ability to prevent or remediate such use, and any regulatory consequence arising from misuse could be serious, including legal liability, reputational harm, or demands to restrict access at the protocol level.

Token Utility, Value, and Project Continuity Risks

Risk of Token Not Meeting Expectations

SOGNI Tokens may not function in the manner anticipated by the Company or Purchasers. Their ultimate utility, usability, and role within the Sogni ecosystem depend on multiple evolving factors, including the development of supporting infrastructure and third-party engagement. Expectations around performance, user behavior, or market reception may not be realized. Moreover, despite good faith efforts, the integration of the SOGNI Tokens may experience delays, malfunctions, or design changes, which could reduce their anticipated value or utility.

Dependence on Ecosystem Success

The SOGNI Tokens are intended to be used in connection with the Sogni ecosystem. If the Sogni ecosystem fails to attract sufficient adoption, maintain functionality, or achieve user engagement, the SOGNI Tokens may have limited or no utility or value. The development and commercial success of the Sogni ecosystem are subject to uncertainty and depend on competitive, regulatory, and technical dynamics.

Risk of Dissolution or Project Abandonment

There is no assurance that the SOGNI Tokens or the broader Sogni ecosystem will achieve long-term viability. The Company may determine at any time, for reasons including insufficient

funding, lack of market interest, legal exposure, or strategic redirection, to discontinue the development or support of the SOGNI Tokens. The abandonment of the project could result in total loss of token value.

Illiquidity and Exchange Risk

SOGNI Tokens may never be listed on a trading platform or exchange. Even if listed, there is no guarantee of sufficient liquidity, fair pricing, or stability. Any exchange-based market value may be highly speculative and subject to sudden or permanent collapse. Lockups, restricted transfer periods, or the absence of reliable secondary markets could render SOGNI Tokens non-transferable for prolonged periods. Purchasers should not assume that they will be able to resell or exchange tokens.

Risk of Future Token Dilution

The overall supply of SOGNI Tokens may be modified in the future through governance decisions or protocol updates, including inflationary measures tied to staking or validator rewards. These changes could reduce the relative ownership percentage or value of tokens acquired in this Offering.

GPU Network Stability and Performance Risks

The Sogni ecosystem relies on a decentralized network of GPU providers to deliver AI rendering services. The stability, availability, and performance of this network are critical to Supernet's functionality. If the network fails to attract sufficient GPU providers, experiences technical issues, or cannot scale to meet demand, users may experience degraded service quality, higher costs, or extended wait times. These issues could undermine user satisfaction and limit Supernet adoption, directly impacting token utility and value.

Discretionary Use of Proceeds

No Specific Allocation of Proceeds

The Company has not committed the proceeds of this offering to any specific uses or projects. While proceeds may be used to support the development, security, maintenance, and expansion of the Sogni ecosystem, the Company retains broad discretion to reallocate funds based on evolving business conditions, strategic priorities, or regulatory developments. Purchasers will have no input on how proceeds are used. Proceeds from the Offering are directed by AI Dreams Capital Ltd. The Company does not exercise discretion over the final allocation or use of proceeds beyond token issuance and compliance.

Risk of Misuse or Inefficient Allocation

Management decisions regarding the use of proceeds may not align with Purchasers' expectations or best interests. Funds could be allocated to initiatives that do not generate user growth, Supernet's utility, or long-term sustainability. Operational, legal, or technical setbacks may divert funds away from core development. If funds are misallocated or used ineffectively, the result could be delayed development, reduced functionality, or diminished value of the SOGNI Tokens.

Use of Proceeds May Not Yield Anticipated Results

Even if funds are used as intended, there is no guarantee that these expenditures will lead to a successful token launch, robust ecosystem participation, or sustainable token utility. Strategic acquisitions, marketing efforts, or Supernet upgrades may fail to attract users or generate network

effects. Purchasers should not assume that their contribution will lead to measurable token appreciation or broader adoption.

Legal Representation and No Advisory Relationship

Representation by Legal Counsel

The law firm assisting with the preparation of this Memorandum represents only the Company in connection with this offering. Purchasers are not clients of the law firm and should not rely on any part of the Memorandum as legal advice directed to them. The law firm does not undertake to verify the accuracy of factual information nor to monitor ongoing legal compliance.

No Fiduciary or Advisory Relationship

Purchasers of SOGNI Tokens will not be entitled to any fiduciary, agency, partnership, or trust relationship with the Company. The Company does not act as a fiduciary, advisor, or agent to token holders and is limited to token issuance and compliance. Key decisions regarding the development of the Sogni ecosystem and allocation of proceeds are made by AI Dreams Capital Ltd.

Unanticipated Risks and Ecosystem Policy Violations

Unanticipated and Emerging Risks

Blockchain technologies, digital assets, and related regulatory frameworks are evolving rapidly. New or unforeseen risks may emerge that are not covered in this document. These could include novel attack vectors, changes in protocol behavior, regulatory reclassification, shifts in user expectations, or disruptive technological innovations. Purchasers accept the risk that future developments may materially affect the value, functionality, or legality of the SOGNI Tokens.

Violation of Terms and Policy Risks

SOGNI Tokens and the Sogni ecosystem are subject to terms of use, policies, and community standards established by the Company. Users who violate these standards, including but not limited to terms prohibiting unlawful conduct, abusive behavior, or use by restricted persons, may face suspension or restriction of access. Widespread violations or misuse could invite regulatory scrutiny, harm the reputation of the ecosystem, or result in the Company imposing broader restrictions on token usage or platform access.

AI Content Generation Legal and Ethical Risks

Supernet facilitates and enables the generation of AI-created images that may raise legal and ethical concerns. Users may generate content that infringes copyrights, violates trademarks, or creates unauthorized depictions of individuals or brands. Supernet may be used to create objectionable or potentially harmful content that violates policies or applicable laws. Although the Company implements content moderation measures, the decentralized nature of the ecosystem may limit the Company's ability to prevent all misuse. Regulatory scrutiny of AI-generated content is increasing, and future regulations may impose additional requirements or restrictions on AI image generation platforms.