White paper drafted under the European Markets in Crypto-Assets Regulation (EU) 2023/1114 for FFG DTLFMQT4L

Preamble

00. Table of Contents

01. Date of notification

2025-07-31

02. Statement in accordance with Article 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 person seeking admission to trading of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

03. Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114

This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 of the European Parliament and of the Council 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 omissions likely to affect its import.

04. Statement in accordance with Article 6(5), points (a), (b), (c), of Regulation (EU) 2023/1114

The crypto-asset referred to in this crypto-asset white paper may lose its value in part or in full, may not always be transferable and may not be liquid.

05. Statement in accordance with Article 6(5), point (d), of Regulation (EU) 2023/1114

Since the token has multiple functions (hybrid token), these are already conceptually not utility tokens within the meaning of the MiCAR within the definition of Article 3 (1), due to the necessity of the “exclusivity”.

06. Statement in accordance with Article 6(5), points (e) and (f), of Regulation (EU) 2023/1114

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 or the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

Summary

07. Warning in accordance with Article 6(7), second subparagraph, of Regulation (EU) 2023/1114

Warning: This summary should be read as an introduction to the crypto-asset white paper. 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 or any other offer document pursuant to union or national law.

08. Characteristics of the crypto-asset

AB tokens this white paper refers to are crypto-assets other than EMTs and ARTs, which are available on the AB-Core Mainnet and AB-IoT Mainnet as native asset as well as on the BNB Smart Chain (at the time of writing this white paper: 2025-07-24 and according to DTI FFG shown in F.14).

The AB crypto asset was rebranded as AB in early 2025, alongside structural changes to the ecosystem and token model.

The first activity on the BNB Smart Chain is known to have taken place on 2025-04-14.

09. Information about the quality and quantity of goods or services to which the utility tokens give access and restrictions on the transferability

Not applicable.

10. Key information about the offer to the public or admission to trading

This white paper concerns the admission to trading of the crypto-asset "AB" by AB Foundation in accordance to Article 5 of REGULATION (EU) 2023/1114 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

The following platforms are in scope for this: Payward Global Solutions Limited.

Part A – Information about the offeror or the person seeking admission to trading

A.1 Name

AB Foundation

A.2 Legal form

K575

A.3 Registered address

KY, Asia Leading Corporate Services (Cayman) Limited, Suite 102, Cannon Place, P.O. Box 712, North Sound Road, George Town, KY1-9006

A.4 Head office

Not applicable.

A.5 Registration date

2025-01-28

A.6 Legal entity identifier

Not available.

A.7 Another identifier required pursuant to applicable national law

CR-418401

A.8 Contact telephone number

Not available.

A.9 E-mail address

contact@ab.org

A.10 Response time (Days)

020

A.11 Parent company

Not applicable.

A.12 Members of the management body

Name	Position	Address
Jacky Sui	Authorized Representative	KY, Asia Leading Corporate Services (Cayman) Limited, Suite 102, Cannon Place, P.O. Box 712, North Sound Road, George Town, KY1-9006

A.13 Business activity

AB Foundation is dedicated to the development of public blockchain infrastructure and digital asset technology.

A.14 Parent company business activity

Not applicable.

A.15 Newly established

Yes

A.16 Financial condition for the past three years

Not applicable.

A.17 Financial condition since registration

Since its incorporation in 2025, AB Foundation has been in a pre-revenue development stage. Initial capital contributions have supported R&D, blockchain protocol design, team recruitment, and legal structuring for regulatory compliance. Financial operations are currently limited to foundational setup and internal development costs. No material revenue or liabilities have yet been recorded.

Part B – Information about the issuer, if different from the offeror or person seeking admission to trading

B.1 Issuer different from offeror or person seeking admission to trading

No

B.2 Name

Not applicable.

B.3 Legal form

Not applicable.

B4. Registered address

Not applicable.

B.5 Head office

Not applicable.

B.6 Registration date

Not applicable.

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

Not applicable.

B.11 Business activity

Not applicable.

B.12 Parent company business activity

Not applicable.

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

C.1 Name

Not applicable.

C.2 Legal form

Not applicable.

C.3 Registered address

Not applicable.

C.4 Head office

Not applicable.

C.5 Registration date

Not applicable.

C.6 Legal entity identifier

Not applicable.

C.7 Another identifier required pursuant to applicable national law

Not applicable.

C.8 Parent company

Not applicable.

C.9 Reason for crypto-Asset white paper Preparation

Not applicable.

C.10 Members of the Management body

Not applicable.

C.11 Operator business activity

Not applicable.

C.12 Parent company business activity

Not applicable.

C.13 Other persons drawing up the crypto-asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114

Crypto Risk Metrics GmbH, Lange Reihe 73, 20099 Hamburg

C.14 Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114

Crypto Risk Metrics GmbH, Lange Reihe 73, 20099 Hamburg, was mandated to support the process of drawing up the white paper by the token issuer mentioned in Part A.

Part D – Information about the crypto-asset project

D.1 Crypto-asset project name

Long Name: "AB", Short Name: "AB" according to the Digital Token Identifier Foundation (www.dtif.org, DTI see F.13, FFG DTI see F.14 as of 2025-07-23).

D.2 Crypto-assets name

See F.13.

D.3 Abbreviation

See F.13.

D.4 Crypto-asset project description

AB (AB) is a crypto-asset deployed across its own mainnet, AB IoT as well as the BNB Smart Chain. The project focuses on decentralized infrastructure for data and asset operations, including sidechains optimized for IoT applications and cross-chain interoperability. The AB token is used for paying transaction fees, accessing decentralized services, and incentivizing network participants (e.g., node operators) across the AB ecosystem.

The AB token forms part of a larger technical architecture designed for real-world asset interaction and modular chain deployment. It does not confer equity rights, profit claims, or legal ownership in any entity, and is not intended as a financial instrument.

D.5 Details of all natural or legal persons involved in the implementation of the crypto-asset project

Name	Position	Address
Jacky Sui	Authorized Representative	KY , Asia Leading Corporate Services (Cayman) Limited, Suite 102, Cannon Place, P.O. Box 712, North Sound Road, George Town, KY1-9006

AB Foundation	Legal person, see section A	KY , Asia Leading Corporate Services (Cayman) Limited, Suite 102, Cannon Place, P.O. Box 712, North Sound Road, George Town, KY1-9006

D.6 Utility Token Classification

The token does not classify as a utility token.

D.7 Key Features of Goods/Services for Utility Token Projects

Not applicable.

D.8 Plans for the token

In 2025, the AB project outlines a phased rollout of its technical infrastructure, including the AB Core mainnet, the AB IoT sidechain and the AB Wallet.

In the first quarter, the roadmap specifies the launch of testnets for both AB Core and the AB Bridge. Initial cross-chain capabilities are expected between the AB Core testnet and external chains such as Tron. Development of the AB Wallet is also scheduled to begin, with early functionality covering multiple networks.

During the second quarter, the AB Core mainnet and the AB Bridge are planned to go live, enabling cross-chain asset movement between the AB Core and AB IoT environments. A stablecoin bridge (e.g., NUSDT <> USDT) between AB and Tron is also targeted. The AB Wallet is expected to enter production, with added support for biometric access, gas fee visibility, and integration with decentralized applications.

In the third quarter, the bridge infrastructure is planned to expand to additional networks, including Ethereum, BNB Smart Chain, Solana, and Bitcoin. The wallet is set to add support for those chains, along with broader DeFi features and basic social tools.

By the fourth quarter, the roadmap includes full cross-chain swap functionality across all supported chains. The wallet is expected to integrate fiat payment options, multi-

language support, U-card payment services, and enhanced security mechanisms such as MPC (multi-party computation) and hardware wallet support.

This content and the implied roadmap are subject to change at any given time. They are not binding, and no guarantees can be made about it. Past roadmap points are not necessarily implemented. Changes and developments can negatively impact the investors. The roadmap is publicly available at: https://www.ab.org/en/roadmap/.

D.9 Resource allocation

AB tokens have a fixed maximum supply of 100 billion tokens. The distribution is managed through predetermined smart contracts for technical infrastructure purposes only.

As of February 2025, the distribution of AB tokens is as follows: 1.18% (equivalent to 1.18 billion AB) has been permanently removed through burning. 42.25% (42.25 billion AB) has already been distributed to the community, while the remaining 56.57% (56.57 billion AB) is reserved for network operations under the category of Infrastructure Rewards.

Starting from February 2025, tokens from the infrastructure reserve will be released according to a predetermined schedule to fund key areas necessary for network validator operations. These areas include technical infrastructure maintenance, protocol security and updates, as well as support for open-source development.

The actual distribution of tokens can be traced on-chain:

For BNB Smart Chain:
https://bscscan.com/token/0x95034f653d5d161890836ad2b6b8cc49d14e029a#balances.

For AB Core: https://explorer.core.ab.org/accounts,

For AB IoT: https://explorer.ab.org/accounts,

The investor must be aware that a public address cannot necessarily be assigned to a single person or other entity why the economic justification and thus possible future actions cannot be determined. The currenty token distribution or future changes can negatively impact the investor at any time.

D.10 Planned use of Collected funds or crypto-Assets

Not applicable, as this white paper was drawn up for the admission to trading and not for collecting funds for the crypto-asset-project.

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

The white paper concerns the admission to trading (i. e. ATTR).

E.2 Reasons for public offer or admission to trading

The crypto asset is to be listed on the platforms: Payward Global Solutions Limited.

E.3 Fundraising target

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.4 Minimum subscription goals

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.5 Maximum subscription goals

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.6 Oversubscription acceptance

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.7 Oversubscription allocation

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.8 Issue price

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.9 Official currency or any other crypto-assets determining the issue price

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.10 Subscription fee

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.11 Offer price determination method

Once the token is admitted to trading its price will be determined by demand (buyers) and supply (sellers).

E.12 Total number of offered/traded crypto-assets

The theoretically possible supply is 100,000,000,000 tokens.

E.13 Targeted holders

ALL

E.14 Holder restrictions

The Holder restrictions are subject to the rules applicable to the Crypto Asset Service Provider as well as additional restrictions the Crypto Asset Service Providers might set in force.

E.15 Reimbursement notice

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.16 Refund mechanism

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.17 Refund timeline

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.18 Offer phases

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.19 Early purchase discount

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.20 Time-limited offer

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.21 Subscription period beginning

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.22 Subscription period end

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.23 Safeguarding arrangements for offered funds/crypto- Assets

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.24 Payment methods for crypto-asset purchase

The payment methods are subject to the respective capabilities of the Crypto Asset Service Provider listing the crypto-asset.

E.25 Value transfer methods for reimbursement

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.26 Right of withdrawal

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.27 Transfer of purchased crypto-assets

The transfer of purchased crypto-assets are subject to the respective capabilities of the Crypto Asset Service Provider listing the crypto-asset.

E.28 Transfer time schedule

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.29 Purchaser's technical requirements

The technical requirements that the purchaser is required to fulfil to hold the crypto-assets of purchased crypto-assets are subject to the respective capabilities of the Crypto Asset Service Provider listing the crypto-asset.

E.30 Crypto-asset service provider (CASP) name

Not applicable.

E.31 CASP identifier

Not applicable.

E.32 Placement form

Not applicable.

E.33 Trading platforms name

Payward Global Solutions Limited

E.34 Trading platforms Market identifier code (MIC)

Payward Global Solutions Limited: PGSL

E.35 Trading platforms access

This depends on the trading platform listing the asset.

E.36 Involved costs

This depends on the trading platform listing the asset. Investors should always review the current fee structures of platforms before making trading decisions. Furthermore, costs may occur for making transfers out of the platform (i. e. "gas costs" or in general "transaction cost" for blockchain network use that may exceed the value of the crypto-asset itself).

E.37 Offer expenses

Not applicable, as this crypto-asset white paper concerns the admission to trading and not the offer of the token to the public.

E.38 Conflicts of interest

MiCAR-compliant Crypto Asset Service Providers shall have strong measurements in place in order to manage conflicts of interests. Due to the broad audience this white-paper is adressing, potential investors should always check the conflicts of Interest policy of their respective counterparty.

E.39 Applicable law

Not applicable, as it is referred to on "offer to the public" and in this white-paper, the admission to trading is sought.

E.40 Competent court

Not applicable, as it is referred to on "offer to the public" and in this white paper, the admission to trading is sought.

Part F – Information about the crypto-assets

F.1 Crypto-asset type

The crypto-asset described in the white paper is classified as a crypto-asset under the Markets in Crypto-Assets Regulation (MiCAR) but does not qualify as an electronic money token (EMT) or an asset-referenced token (ART). It is a digital representation of value that can be stored and transferred using distributed ledger technology (DLT) or similar technology, without embodying or conferring any rights to its holder.

The asset does not aim to maintain a stable value by referencing an official currency, a basket of assets, or any other underlying rights. Instead, its valuation is entirely market-driven, based on supply and demand dynamics, and not supported by a stabilization mechanism. It is neither pegged to any fiat currency nor backed by any external assets, distinguishing it clearly from EMTs and ARTs.

Furthermore, the crypto-asset is not categorized as a financial instrument, deposit, insurance product, pension product, or any other regulated financial product under EU law. It does not grant financial rights, voting rights, or any contractual claims to its holders, ensuring that it remains outside the scope of regulatory frameworks applicable to traditional financial instruments.

F.2 Crypto-asset functionality

The AB Token functions as a network token within the AB blockchain infrastructure and does not entail any investment, governance or profit-sharing rights. Its core purpose is to serve as a gas token required for the execution of network operations, including transaction validation, block inclusion, and smart contract execution.

As part of the technical utility of the AB ecosystem, the token enables developers and users to deploy and run decentralized applications (dApps) and other programmable logic on the AB network. It operates as the only native means of paying fees for computational and storage resources in the system.

In addition, the AB Token facilitates interoperability via cross-chain technology. While the AB Foundation does not itself operate or control cross-chain bridging services, independent third-party operators may support token use across disparate blockchains, enabling transfer and integration of assets through those technical bridges.

The AB Token does not confer any rights such as dividends, voting rights, or entitlement to revenues, nor is it intended as a store of value or subject to asset-referencing mechanisms.

F.3 Planned application of functionalities

See D.8.

A description of the characteristics of the crypto asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article

F.4 Type of crypto-asset white paper

The white paper type is "other crypto-assets" (i. e. "OTHR").

F.5 The type of submission

The white paper submission type is "NEWT", which stands for new token.

F.6 Crypto-asset characteristics

The tokens are crypto-assets other than EMTs and ARTs, which are available on the AB-Core Mainnet and AB-IoT Mainnet as native asset as well as on the BNB Smart Chain. The tokens are fungible (up to 18 digits after the decimal point on BNB Smart Chain), and the total supply is capped at 100,000,000,000 tokens, as stated by the issuer. The tokens are a digital representation of value and do not grant rights to dividends, profits, or ownership, nor do they carry any inherent legal or governance rights.

F.7 Commercial name or trading name

See F.13.

F.8 Website of the issuer

https://www.ab.org/en/

F.9 Starting date of offer to the public or admission to trading

2025-08-28

F.10 Publication date

2025-08-28

F.11 Any other services provided by the issuer

It is not possible to exclude a possibility that the issuer of the token provides or will provide other services not covered by Regulation (EU) 2023/1114 (i.e. MiCAR).

F.12 Language or languages of the crypto-asset white paper

EN

F.13 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

ZLKTHQJGR;CTP3M5LLN;2XM9N9KXW

F.14 Functionally fungible group digital token identifier, where available

DTLFMQT4L

F.15 Voluntary data flag

Mandatory.

F.16 Personal data flag

The white paper does contain personal data.

F.17 LEI eligibility

The issuer should be eligible for a Legal Entity Identifier.

F.18 Home Member State

Germany

F.19 Host Member States

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden

Part G – Information on the rights and obligations attached to the crypto-assets

G.1 Purchaser rights and obligations

There are no rights or obligations attached for/of the purchaser.

G.2 Exercise of rights and obligations

As the token grants neither rights nor obligations, there are no procedures and conditions for the exercise of these rights applicable.

G.3 Conditions for modifications of rights and obligations

As the token grants neither rights nor obligations, there are no conditions under which the rights and obligations may be modified applicable.

G.4 Future public offers

This white paper refers to admission to trading. The issuer reserves the right to make further offers in the future. This means that future public offers cannot be ruled out. The exact conditions and legal classification for this have not yet been defined. This may have negative consequences for investors at any time.

G.5 Issuer retained crypto-assets

AB tokens have a fixed maximum supply of 100 billion tokens. The distribution is managed through predetermined smart contracts for technical infrastructure purposes only.

As of February 2025, the distribution of AB tokens is as follows: 1.18% (equivalent to 1.18 billion AB) has been permanently removed through burning. 42.25% (42.25 billion AB) has already been distributed to the community, while the remaining 56.57% (56.57 billion AB) is reserved for network operations under the category of Infrastructure Rewards. These tokens are considered to be retained by the issuer.

The actual distribution of tokens can be traced on-chain:

For BNB Smart Chain:
https://bscscan.com/token/0x95034f653d5d161890836ad2b6b8cc49d14e029a#balances.

For AB Core: https://explorer.core.ab.org/accounts,

For AB IoT: https://explorer.ab.org/accounts,

The investor must be aware that a public address cannot necessarily be assigned to a single person or other entity why the economic justification and thus possible future

actions cannot be determined. The currenty token distribution or future changes can negatively impact the investor at any time.

G.6 Utility token classification

No

G.7 Key features of goods/services of utility tokens

Not applicable.

G.8 Utility tokens redemption

Not applicable.

G.9 Non-trading request

The admission to trading is sought.

G.10 Crypto-assets purchase or sale modalities

Not applicable, as the admission to trading of the tokens is sought.

G.11 Crypto-assets transfer restrictions

The crypto-assets as such do not have any transfer restrictions and are generally freely transferable. The Crypto Asset Service Providers can impose their own restrictions in agreements they enter with their clients. The Crypto Asset Service Providers may impose restrictions to buyers and sellers in accordance with applicable laws and internal policies and terms.

G.12 Supply adjustment protocols

No, there are no fixed protocols that can increase or decrease the supply implemented as of 2025-07-29.

It is possible to decrease the circulating supply, by transferring crypto-assets to so called "burn-adresses", which are adresses that render the crypto-asset "non-transferable" after sent to those adresses.

G.13 Supply adjustment mechanisms

The AB Token does not include any embedded or autonomous supply adjustment protocols. The total token supply is fixed or determined by predefined issuance

parameters set at the protocol level. No mechanisms are in place to algorithmically increase or decrease the supply in response to market demand, price fluctuations, or external economic indicators. Token minting, if applicable, follows static issuance rules without adaptive supply modulation.

G.14 Token value protection schemes

No, the token does not have value protection schemes.

G.15 Token value protection schemes description

Not applicable.

G.16 Compensation schemes

No, the token does not have compensation schemes.

G.17 Compensation schemes description

Not applicable.

G.18 Applicable law

Applicable law likely depends on the location of any particular transaction with the token.

G.19 Competent court

Competent court likely depends on the location of any particular transaction with the token.

Part H – information on the underlying technology

H.1 Distributed ledger technology (DTL)

See F.13.

H.2 Protocols and technical standards

The crypto asset that is the subject of this white paper is available on multiple DLT networks. These include: AB Core, AB IoT and BNB Smart Chain. In general, when evaluating crypto assets, the total number of tokens issued across different networks must always be taken into account, as spillover effects can be adverse for investors.

AB Core is based on a modular architecture that supports multiple execution environments and validator-driven consensus. The system includes a smart contract execution engine and validator nodes that maintain state consistency. The protocol enables interoperability between execution environments and supports standard cryptographic primitives for transaction validation.

AB IoT operates as an independent execution environment optimized for resource-constrained devices. It processes data asynchronously and relies on AB Core for anchoring and coordination. The AB IoT layer is designed for integrating IoT message protocols and enables the registration of verifiable data originating from physical devices.

Binance Smart Chain (BSC) is a Layer-1 blockchain that utilizes a Proof-of-Staked Authority (PoSA) consensus mechanism. This mechanism combines elements of Proof-of-Authority (PoA) and Proof-of-Stake (PoS) and is intended to secure the network and validate transactions. In PoSA, validators are selected based on their stake and authority, with the goal of providing fast transaction times and low fees while maintaining network security through staking.

The crypto assets are transferred between the ecosystems using the so-called Bridge. Bridges have, in the past, been very sensitive to malfunctions and hacks. Their usage is connected to additional technical risk. The bridge poses an additional source for adverse effects on the investor as it retains the right to release, burn and mint portions of the token supply.

H.3 Technology used

The crypto asset that is the subject of this white paper is available on multiple DLT networks. These include: AB Core, AB IoT and BNB Smart Chain. In general, when evaluating crypto assets, the total number of tokens issued across different networks must always be taken into account, as spillover effects can be adverse for investors.

AB Core uses a decentralized validator set to finalize transactions and maintain ledger integrity. Smart contracts are executed within isolated environments, and the system ensures deterministic outcomes across nodes. Validators use digital signatures to attest blocks and participate in finalization rounds.

The AB IoT layer is designed to operate on low-power devices and supports event-based data submission. It is suitable for embedded systems and edge computing scenarios, with data finality achieved via anchoring into AB Core.

The following applies for the BNB Smart Chain:

1. BSC-Compatible Wallets

Tokens on BSC are supported by wallets compatible with the Ethereum Virtual Machine (EVM), such as MetaMask. These wallets can be configured to connect to the BSC network and are designed to interact with BSC using standard Web3 interfaces.

2. Ledger

BSC maintains its own decentralized ledger for recording token transactions. This ledger is intended to ensure transparency and security, providing a verifiable record of all activities on the network.

3. BEP-20 Token Standard

BSC supports tokens implemented under the BEP-20 standard, which is tailored for the BSC ecosystem. This standard is designed to facilitate the creation and management of tokens on the network.

4. Scalability and Transaction Efficiency

BSC is designed to handle high volumes of transactions with low fees. It leverages its PoSA consensus mechanism to achieve fast transaction times and efficient network performance, making it suitable for applications requiring high throughput.

The crypto assets are transferred between the ecosystems using the so-called Bridge. Bridges have, in the past, been very sensitive to malfunctions and hacks. Their usage is connected to additional technical risk. The bridge poses an additional source for adverse effects on the investor as it retains the right to release, burn and mint portions of the token supply.

H.4 Consensus mechanism

The crypto asset that is the subject of this white paper is available on multiple DLT networks. These include: AB Core, AB IoT and BNB Smart Chain. In general, when

evaluating crypto assets, the total number of tokens issued across different networks must always be taken into account, as spillover effects can be adverse for investors.

The AB blockchain ecosystem is built on a modular architecture that includes a primary chain - referred to as the AB Mainnet - and several specialized sidechains, such as the AB IoT Chain. These chains may employ different consensus mechanisms, selected according to the specific performance and security needs of each environment.

The AB Mainnet generally utilizes a Proof-of-Authority (PoA) style consensus mechanism. In this model, a limited set of validators are responsible for producing new blocks and validating transactions. This approach enables high throughput, reduced latency, and relatively low energy consumption compared to traditional Proof-of-Work systems. Network decisions are made off-chain by the Foundation and community via other mechanisms.

In contrast, the AB IoT Chain is designed to handle large volumes of real-time data from Internet of Things (IoT) devices. To meet the demands of high-frequency, low-latency environments, it typically relies on a more lightweight consensus protocol. This may include a PoA system with a small set of pre-approved validators or a variant of Byzantine Fault Tolerance (BFT). The goal here is to prioritize speed and scalability over decentralization, making the IoT Chain suitable for use cases such as sensor data logging, automated device coordination, and asset tracking.

While the Mainnet and IoT Chain operate independently in terms of consensus, they are interoperable through cross-chain protocols like AB Connect. This setup allows data and assets to move fluidly between chains without requiring them to share the same underlying trust model. Each chain secures itself using the most appropriate consensus mechanism for its role in the network.

The following applies for the BNB Smart Chain:

Binance Smart Chain (BSC) uses a hybrid consensus mechanism called Proof of Staked Authority (PoSA), which combines elements of Delegated Proof of Stake (DPoS) and Proof of Authority (PoA). This method ensures fast block times and low fees while maintaining a level of decentralization and security. Core Components 1. Validators (so-called “Cabinet Members”): Validators on BSC are responsible for producing new blocks, validating

transactions, and maintaining the network's security. To become a validator, an entity must stake a significant amount of BNB (Binance Coin). Validators are selected through staking and voting by token holders. There are 21 active validators at any given time, rotating to ensure decentralization and security. 2. Delegators: Token holders who do not wish to run validator nodes can delegate their BNB tokens to validators. This delegation helps validators increase their stake and improves their chances of being selected to produce blocks. Delegators earn a share of the rewards that validators receive, incentivizing broad participation in network security. 3. Candidates: Candidates are nodes that have staked the required amount of BNB and are in the pool waiting to become validators. They are essentially potential validators who are not currently active but can be elected to the validator set through community voting. Candidates play a crucial role in ensuring there is always a sufficient pool of nodes ready to take on validation tasks, thus maintaining network resilience and decentralization. Consensus Process 4. Validator Selection: Validators are chosen based on the amount of BNB staked and votes received from delegators. The more BNB staked, and votes received, the higher the chance of being selected to validate transactions and produce new blocks. The selection process involves both the current validators and the pool of candidates, ensuring a dynamic and secure rotation of nodes. 5. Block Production: The selected validators take turns producing blocks in a PoA-like manner, ensuring that blocks are generated quickly and efficiently. Validators validate transactions, add them to new blocks, and broadcast these blocks to the network. 6. Transaction Finality: BSC achieves fast block times of around 3 seconds and quick transaction finality. This is achieved through the efficient PoSA mechanism that allows validators to rapidly reach consensus. Security and Economic Incentives 7. Staking: Validators are required to stake a substantial amount of BNB, which acts as collateral to ensure their honest behavior. This staked amount can be slashed if validators act maliciously. Staking incentivizes validators to act in the network's best interest to avoid losing their staked BNB. 8. Delegation and Rewards: Delegators earn rewards proportional to their stake in validators. This incentivizes them to choose reliable validators and participate in the network's security. Validators and delegators share transaction fees as rewards, which provides continuous economic incentives to maintain network security and performance. 9. Transaction Fees: BSC employs low transaction fees, paid in BNB, making it cost-effective for users. These fees are collected by validators

as part of their rewards, further incentivizing them to validate transactions accurately and efficiently.

The crypto assets are transferred between the ecosystems using the so-called Bridge. Bridges have, in the past, been very sensitive to malfunctions and hacks. Their usage is connected to additional technical risk. The bridge poses an additional source for potential adverse effects on the investor.

H.5 Incentive mechanisms and applicable fees

The crypto asset that is the subject of this white paper is available on multiple DLT networks. These include: AB Core, AB IoT and BNB Smart Chain. In general, when evaluating crypto assets, the total number of tokens issued across different networks must always be taken into account, as spillover effects can be adverse for investors.

The AB ecosystem uses its native $AB token as the gas token. Transaction fees and gas costs for deploying and executing smart contracts across both the Mainnet and the IoT Chain must be paid in $AB, making it the sole means of accessing network functionality.

AB incorporates a fee burning mechanism. Each on-chain transaction triggers the burning of a portion of the collected fee. In terms of incentives, the protocol is designed to reward computing or node operators (“machine nodes”) with newly released $AB tokens that began distribution in February 2025. These rewards encourage stable infrastructure participation and network security.

The following applies for the BNB Smart Chain:

Binance Smart Chain (BSC) uses the Proof of Staked Authority (PoSA) consensus mechanism to ensure network security and incentivize participation from validators and delegators. Incentive Mechanisms 1. Validators: Staking Rewards: Validators must stake a significant amount of BNB to participate in the consensus process. They earn rewards in the form of transaction fees and block rewards. Selection Process: Validators are selected based on the amount of BNB staked and the votes received from delegators. The more BNB staked, and votes received, the higher the chances of being selected to validate transactions and produce new blocks. 2. Delegators: Delegated Staking: Token holders can delegate their BNB to validators. This delegation increases the validator's total stake and improves their chances of being selected to produce blocks. Shared Rewards:

Delegators earn a portion of the rewards that validators receive. This incentivizes token holders to participate in the network's security and decentralization by choosing reliable validators. 3. Candidates: Pool of Potential Validators: Candidates are nodes that have staked the required amount of BNB and are waiting to become active validators. They ensure that there is always a sufficient pool of nodes ready to take on validation tasks, maintaining network resilience. 4. Economic Security: Slashing: Validators can be penalized for malicious behavior or failure to perform their duties. Penalties include slashing a portion of their staked tokens, ensuring that validators act in the best interest of the network. Opportunity Cost: Staking requires validators and delegators to lock up their BNB tokens, providing an economic incentive to act honestly to avoid losing their staked assets. Fees on the Binance Smart Chain 5. Transaction Fees: Low Fees: BSC is known for its low transaction fees compared to other blockchain networks. These fees are paid in BNB and are essential for maintaining network operations and compensating validators. Dynamic Fee Structure: Transaction fees can vary based on network congestion and the complexity of the transactions. However, BSC ensures that fees remain significantly lower than those on the Ethereum mainnet. 6. Block Rewards: Incentivizing Validators: Validators earn block rewards in addition to transaction fees. These rewards are distributed to validators for their role in maintaining the network and processing transactions. 7. Cross-Chain Fees: Interoperability Costs: BSC supports cross-chain compatibility, allowing assets to be transferred between Binance Chain and Binance Smart Chain. These cross-chain operations incur minimal fees, facilitating seamless asset transfers and improving user experience. 8. Smart Contract Fees: Deployment and Execution Costs: Deploying and interacting with smart contracts on BSC involves paying fees based on the computational resources required. These fees are also paid in BNB and are designed to be cost-effective, encouraging developers to build on the BSC platform.

The crypto assets are transferred between the ecosystems using the so-called Bridge. Bridges have, in the past, been very sensitive to malfunctions and hacks. Their usage is connected to additional technical risk. The bridge poses an additional source for potential adverse effects on the investor.

H.6 Use of distributed ledger technology

Yes, DLT operated by the issuer, offeror, a person seeking admission to trading or a third-party acting on the issuer's their behalf. This applies only to implementations of AB Core and AB IoT. The following applies to implementations on BNB Smart Chain:

No, DLT not operated by the issuer, offeror, a person seeking admission to trading or a third-party acting on the issuer's their behalf.

H.7 DLT functionality description

The following applies to implementations AB Core and AB IoT:

AB Core operates as the primary distributed ledger infrastructure within the AB ecosystem. It maintains the integrity of transactional records via a modular, high-throughput DLT design. The network is permissionless and supports smart contract execution, deterministic state changes, and node-level replication of validated blocks.

AB IoT functions as a dedicated, lightweight distributed ledger optimized for integration with resource-constrained IoT devices. It inherits consensus validation from AB Core but runs on a parallel execution layer with reduced complexity.

H.8 Audit

In the context of these crypto assets, audits were conducted to review components of the technology. Investors should be aware that in complex and decentralized networks, it is impossible to test all components for every conceivable scenario.

H.9 Audit outcome

Four reports are available in connection with the crypto asset.

AB Core - SlowMist Audit report:

https://github.com/ABFoundationGlobal/audit/blob/main/Audit%20Report/AB%20Core%20-%20SlowMist%20Audit%20Report.pdf

AB Core - Certik Security Assessment:

https://github.com/ABFoundationGlobal/audit/blob/main/Audit%20Report/AB%20Core%20-%20CertiK%20Security%20Assessment.pdf

AB IoT - SlowMist Audit Report:

https://github.com/ABFoundationGlobal/audit/blob/main/Audit%20Report/AB%20IoT%20-%20SlowMist%20Audit%20Report.pdf

AB IoT- Certik Security Assessment:

https://github.com/ABFoundationGlobal/audit/blob/main/Audit%20Report/AB%20IoT%20-%20CertiK%20Security%20Assessment.pdf

Part I – Information on risks

I.1 Offer-related risks

1. Regulatory and Compliance

This white paper has been prepared with utmost caution; however, uncertainties in the regulatory requirements and future changes in regulatory frameworks could potentially impact the token's legal status and its tradability. There is also a high probability that other laws will come into force, changing the rules for the trading of the token. Therefore, such developments shall be monitored and acted upon accordingly.

2. Operational and Technical

Blockchain Dependency: The token is entirely dependent on the blockchains the crypto-asset is issued upon. Any issues, such as downtime, congestion, or security vulnerabilities within the blockchain, could adversely affect the token's functionality.

Smart Contract Risks: Smart contracts governing the token may contain hidden vulnerabilities or bugs that could disrupt the token offering or distribution processes.

Connection Dependency: As the trading of the token also involves other trading venues, technical risks such as downtime of the connection or faulty code are also possible.

Human errors: Due to the irrevocability of blockchain-transactions, approving wrong transactions or using incorrect networks/addresses will most likely result in funds not being accessibly anymore.

Custodial risk: When admitting the token to trading, the risk of losing clients assets due to hacks or other malicious acts is given. This is due to the fact the token is hold in custodial wallets for the customers.

3. Market and Liquidity

Volatility: The token will most likely be subject to high volatility and market speculation. Price fluctuations could be significant, posing a risk of substantial losses to holders.

Liquidity Risk: Liquidity is contingent upon trading activity levels on decentralized exchanges (DEXs) and potentially on centralized exchanges (CEXs), should they be involved. Low trading volumes may restrict the buying and selling capabilities of the tokens.

4. Counterparty

As the admission to trading involves the connection to other trading venues, counterparty risks arise. These include, but are not limited to, the following risks:

General Trading Platform Risk: The risk of trading platforms not operating to the highest standards is given. Examples like FTX show that especially in nascent industries, compliance and oversight-frameworks might not be fully established and/or enforced.

Listing or Delisting Risks: The listing or delisting of the token is subject to the trading partners internal processes. Delisting of the token at the connected trading partners could harm or completely halt the ability to trade the token.

5. Liquidity

Liquidity of the token can vary, especially when trading activity is limited. This could result in high slippage when trading a token.

6. Failure of one or more Counterparties

Another risk stems from the internal operational processes of the counterparties used. As there is no specific oversight other than the typical due diligence check, it cannot be guaranteed that all counterparties adhere to the best market standards.

Bankruptcy Risk: Counterparties could go bankrupt, possibly resulting in a total loss for the clients' assets held at that counterparty.

I.2 Issuer-related risks

1. Insolvency

As with every other commercial endeavor, the risk of insolvency of the issuer is given. This could be caused by but is not limited to lack of interest from the public, lack of funding, incapacitation of key developers and project members, force majeure (including pandemics and wars) or lack of commercial success or prospects.

2. Counterparty

In order to operate, the issuer has most likely engaged in different business relationships with one or more third parties on which it strongly depends on. Loss or changes in the leadership or key partners of the issuer and/or the respective counterparties can lead to disruptions, loss of trust, or project failure. This could result in a total loss of economic value for the crypto-asset holders.

3. Legal and Regulatory Compliance

Cryptocurrencies and blockchain-based technologies are subject to evolving regulatory landscapes worldwide. Regulations vary across jurisdictions and may be subject to significant changes. Non-compliance can result in investigations, enforcement actions, penalties, fines, sanctions, or the prohibition of the trading of the crypto-asset impacting its viability and market acceptance. This could also result in the issuer to be subject to private litigation. The beforementioned would most likely also lead to changes with respect to trading of the crypto-asset that may negatively impact the value, legality, or functionality of the crypto-asset.

4. Operational

Failure to develop or maintain effective internal control, or any difficulties encountered in the implementation of such controls, or their improvement could harm the issuer's business, causing disruptions, financial losses, or reputational damage.

5. Industry

The issuer is and will be subject to all of the risks and uncertainties associated with a memecoin-project, where the token issued has zero intrinsic value. History has shown

that most of these projects resulted in financial losses for the investors and were only set-up to enrich a few insiders with the money from retail investors.

6. Reputational

The issuer faces the risk of negative publicity, whether due to, without limitation, operational failures, security breaches, or association with illicit activities, which can damage the issuer reputation and, by extension, the value and acceptance of the crypto-asset.

7. Competition

There are numerous other crypto-asset projects in the same realm, which could have an effect on the crypto-asset in question.

8. Unanticipated Risk

In addition to the risks included in this section, there might be other risks that cannot be foreseen. Additional risks may also materialize as unanticipated variations or combinations of the risks discussed.

I.3 Crypto-assets-related risks

1. Valuation

As the crypto-asset does not have any intrinsic value, and grants neither rights nor obligations, the only mechanism to determine the price is supply and demand. Historically, most crypto-assets have dramatically lost value and were not a beneficial investment for the investors. Therefore, investing in these crypto-assets poses a high risk, and the loss of funds can occur.

2. Market Volatility

Crypto-asset prices are highly susceptible to dramatic fluctuations influence by various factors, including market sentiment, regulatory changes, technological advancements, and macroeconomic conditions. These fluctuations can result in significant financial losses within short periods, making the market highly unpredictable and challenging for investors. This is especially true for crypto-assets without any intrinsic value, and investors

should be prepared to lose the complete amount of money invested in the respective crypto-assets.

3. Liquidity Challenges

Some crypto-assets suffer from limited liquidity, which can present difficulties when executing large trades without significantly impacting market prices. This lack of liquidity can lead to substantial financial losses, particularly during periods of rapid market movements, when selling assets may become challenging or require accepting unfavorable prices.

4. Asset Security

Crypto-assets face unique security threats, including the risk of theft from exchanges or digital wallets, loss of private keys, and potential failures of custodial services. Since crypto transactions are generally irreversible, a security breach or mismanagement can result in the permanent loss of assets, emphasizing the importance of strong security measures and practices.

5. Scams

The irrevocability of transactions executed using blockchain infrastructure, as well as the pseudonymous nature of blockchain ecosystems, attracts scammers. Therefore, investors in crypto-assets must proceed with a high degree of caution when investing in if they invest in crypto-assets. Typical scams include – but are not limited to – the creation of fake crypto-assets with the same name, phishing on social networks or by email, fake giveaways/airdrops, identity theft, among others.

6. Blockchain Dependency

Any issues with the blockchain used, such as network downtime, congestion, or security vulnerabilities, could disrupt the transfer, trading, or functionality of the crypto-asset.

7. Smart Contract Vulnerabilities

The smart contract used to issue the crypto-asset could include bugs, coding errors, or vulnerabilities which could be exploited by malicious actors, potentially leading to asset loss, unauthorized data access, or unintended operational consequences.

8. Privacy Concerns

All transactions on the blockchain are permanently recorded and publicly accessible, which can potentially expose user activities. Although addresses are pseudonoymous, the transparent and immutable nature of blockchain allows for advanced forensic analysis and intelligence gathering. This level of transparency can make it possible to link blockchain addresses to real-world identities over time, compromising user privacy.

9. Regulatory Uncertainty

The regulatory environment surrounding crypto-assets is constantly evolving, which can directly impact their usage, valuation, and legal status. Changes in regulatory frameworks may introduce new requirements related to consumer protection, taxation, and anti-money laundering compliance, creating uncertainty and potential challenges for investors and businesses operating in the crypto space. Although the crypto-asset do not create or confer any contractual or other obligations on any party, certain regulators may nevertheless qualify the crypto-asset as a security or other financial instrument under their applicable law, which in turn would have drastic consequences for the crypto-asset, including the potential loss of the invested capital in the asset. Furthermore, this could lead to the sellers and its affiliates, directors, and officers being obliged to pay fines, including federal civil and criminal penalties, or make the crypto-asset illegal or impossible to use, buy, or sell in certain jurisdictions. On top of that, regulators could take action against the issuer as well as the trading platforms if the the regulators view the token as an unregistered offering of securities or the operations otherwise as a violation of existing law. Any of these outcomes would negatively affect the value and/or functionality of the crypot-asset and/or could cause a complete loss of funds of the invested money in the crypto-asset for the investor.

10. Counterparty risk

Engaging in agreements or storing crypto-assets on exchanges introduces counterparty risks, including the failure of the other party to fulfill their obligations. Investors may face potential losses due to factors such as insolvency, regulatory non-compliance, or fraudulent activities by counterparties, highlighting the need for careful due diligence when engaging with third parties.

11. Reputational concerns

Crypto-assets are often subject to reputational risks stemming from associations with illegal activities, high-profile security breaches, and technological failures. Such incidents can undermine trust in the broader ecosystem, negatively affecting investor confidence and market value, thereby hindering widespread adoption and acceptance.

12. Technological Innovation

New technologies or platforms could render the DLT / ecosystem's design less competitive or even break fundamental parts (i.e., quantum computing might break cryptographic algorithms used to secure the network), impacting adoption and value. Participants should approach the crypto-asset with a clear understanding of its speculative and volatile nature and be prepared to accept these risks and bear potential losses, which could include the complete loss of the asset's value.

13. Community and Narrative

As the crypto-asset has no intrinsic value, all trading activity is based on the intended market value is heavily dependent on its community and the popularity of the memecoin narrative. Declining interest or negative sentiment could significantly impact the token’s value.

14. Interest Rate Change

Historically, changes in interest, foreign exchange rates, and increases in volatility have increased credit and market risks and may also affect the value of the crypto-asset. Although historic data does not predict the future, potential investors should be aware that general movements in local and other factors may affect the market, and this could also affect market sentiment and, therefore most likely also the price of the crypto-asset.

15. Taxation

The taxation regime that applies to the trading of the crypto-asset by individual holders or legal entities will depend on the holder’s jurisdiction. It is the holder’s sole responsibility to comply with all applicable tax laws, including, but not limited to, the reporting and payment of income tax, wealth tax, or similar taxes arising in connection with the appreciation and depreciation of the crypto-asset.

16. Anti-Money Laundering/Counter-Terrorism Financing

It cannot be ruled out that crypto-asset wallet addresses interacting with the crypto-asset have been or will be used for money laundering or terrorist financing purposes, or are identified with a person known to have committed such offenses.

17. Market Abuse

It is noteworthy that crypto-assets are potentially prone to increased market abuse risks, as the underlying infrastructure could be used to exploit arbitrage opportunities through schemes such as front-running, spoofing, pump-and-dump, and fraud across different systems, platforms, or geographic locations. This is especially true for crypto-assets with a low market capitalization and few trading venues, and potential investors should be aware that this could lead to a total loss of the funds invested in the crypto-asset.

18. Timeline and Milestones

Critical project milestones could be delayed by technical, operational, or market challenges.

I.4 Project implementation-related risks

As this white paper relates to the "Admission to trading" of the crypto-asset, the implementation risk is referring to the risks on the Crypto Asset Service Providers side. These can be, but are not limited to, typical project management risks, such as key-personal-risks, timeline-risks, and technical implementation-risks.

I.5 Technology-related risks

As this white paper relates to the "Admission to trading" of the crypto-asset, the technology-related risks mainly lie in the settling on the involved networks.

1. Blockchain Dependency Risks

Network Downtime: Potential outages or congestion on the blockchains could interrupt on-chain token transfers, trading, and other functions.

Scalability Challenges: Despite the blockchains comparatively high throughput design, unexpected demand or technical issues might compromise its performance.

2. Smart Contract Risks

Vulnerabilities: The smart contract governing the token could contain bugs or vulnerabilities that may be exploited, affecting token distribution or vesting schedules.

3. Wallet and Storage Risks

Private Key Management: Token holders must securely manage their private keys and recovery phrases to prevent permanent loss of access to their tokens, which includes Trading-Venues, who are a prominent target for dedicated hacks.

Compatibility Issues: The tokens require network-compatible wallets for storage and transfer. Any incompatibility or technical issues with these wallets could impact token accessibility.

4. Network Security Risks

Attack Risks: The blockchains may face threats such as denial-of-service (DoS) attacks or exploits targeting its consensus mechanism, which could compromise network integrity.

Centralization Concerns: Although claiming to be decentralized, the networks relatively smaller number of validators/concentration of stakes within the network compared to other blockchains and the influence of the Foundations might pose centralization risks, potentially affecting network resilience.

5. Evolving Technology Risks: Technological Obsolescence: The fast pace of innovation in blockchain technology may make the networks and token standards appear less competitive or become outdated, potentially impacting the usability or adoption of the token.

6. Bridges: The crypto assets are transferred between the ecosystems using the so-called Bridge. Bridges have, in the past, been very sensitive to malfunctions and hacks. Their usage is connected to additional technical risk. The bridge poses an additional source for adverse effects on the investor as it retains the right to release, burn and mint portions of the token supply.

I.6 Mitigation measures

None.

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

S.1 Name

AB Foundation

S.2 Relevant legal entity identifier

Not available.

S.3 Name of the cryptoasset

AB

S.4 Consensus Mechanism

The crypto asset that is the subject of this white paper is available on multiple DLT networks. These include: AB Core, AB IoT and BNB Smart Chain. In general, when evaluating crypto assets, the total number of tokens issued across different networks must always be taken into account, as spillover effects can be adverse for investors.

The AB blockchain ecosystem is built on a modular architecture that includes a primary chain - referred to as the AB Mainnet - and several specialized sidechains, such as the AB IoT Chain. These chains may employ different consensus mechanisms, selected according to the specific performance and security needs of each environment.

The AB Mainnet generally utilizes a Proof-of-Authority (PoA) style consensus mechanism. In this model, a limited set of validators are responsible for producing new blocks and validating transactions. This approach enables high throughput, reduced latency, and relatively low energy consumption compared to traditional Proof-of-Work systems. Network decisions are made off-chain by the Foundation and community via other mechanisms.

In contrast, the AB IoT Chain is designed to handle large volumes of real-time data from Internet of Things (IoT) devices. To meet the demands of high-frequency, low-latency environments, it typically relies on a more lightweight consensus protocol. This may

include a PoA system with a small set of pre-approved validators or a variant of Byzantine Fault Tolerance (BFT). The goal here is to prioritize speed and scalability over decentralization, making the IoT Chain suitable for use cases such as sensor data logging, automated device coordination, and asset tracking.

While the Mainnet and IoT Chain operate independently in terms of consensus, they are interoperable through cross-chain protocols like AB Connect. This setup allows data and assets to move fluidly between chains without requiring them to share the same underlying trust model. Each chain secures itself using the most appropriate consensus mechanism for its role in the network.

The following applies for the BNB Smart Chain:

Binance Smart Chain (BSC) uses a hybrid consensus mechanism called Proof of Staked Authority (PoSA), which combines elements of Delegated Proof of Stake (DPoS) and Proof of Authority (PoA). This method ensures fast block times and low fees while maintaining a level of decentralization and security. Core Components 1. Validators (so-called “Cabinet Members”): Validators on BSC are responsible for producing new blocks, validating transactions, and maintaining the network’s security. To become a validator, an entity must stake a significant amount of BNB (Binance Coin). Validators are selected through staking and voting by token holders. There are 21 active validators at any given time, rotating to ensure decentralization and security. 2. Delegators: Token holders who do not wish to run validator nodes can delegate their BNB tokens to validators. This delegation helps validators increase their stake and improves their chances of being selected to produce blocks. Delegators earn a share of the rewards that validators receive, incentivizing broad participation in network security. 3. Candidates: Candidates are nodes that have staked the required amount of BNB and are in the pool waiting to become validators. They are essentially potential validators who are not currently active but can be elected to the validator set through community voting. Candidates play a crucial role in ensuring there is always a sufficient pool of nodes ready to take on validation tasks, thus maintaining network resilience and decentralization. Consensus Process 4. Validator Selection: Validators are chosen based on the amount of BNB staked and votes received from delegators. The more BNB staked and votes received, the higher the chance of being selected to validate transactions and produce new blocks. The selection process involves

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AB incorporates a fee burning mechanism. Each on-chain transaction triggers the burning of a portion of the collected fee. In terms of incentives, the protocol is designed to reward computing or node operators (“machine nodes”) with newly released $AB tokens that began distribution in February 2025. These rewards encourage stable infrastructure participation and network security.

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S.6 Beginning of the period to which the disclosure relates

2024-07-28

S.7 End of the period to which the disclosure relates

2025-07-28

S.8 Energy consumption

18396.00000 kWh/a

S.9 Energy consumption sources and methodologies

The crypto asset that is the subject of this white paper is available on multiple DLT networks. These include: AB Core, AB IoT and BNB Smart Chain.

The energy consumption of this asset is aggregated across multiple components: For the calculation of energy consumptions, the so called 'bottom-up' approach is being used. The nodes are considered to be the central factor for the energy consumption of the network. The main determinants for estimating the hardware used within the network are the requirements for operating the client software. The energy consumption of the hardware devices was measured in certified test laboratories. The information regarding the hardware used and the number of participants in the network is based on

assumptions that are verified with best effort using empirical data. In general, participants are assumed to be largely economically rational. As a precautionary principle, we make assumptions on the conservative side when in doubt, i.e. making higher estimates for the adverse impacts.

For the energy consumption of the token, a fraction of the energy consumption of the network is attributed to the token, which is determined based on the activity of the crypto-asset within the network.

S.10 Renewable energy consumption

24.4272988892 %

S.11 Energy intensity

0.00099 kWh

S.12 Scope 1 DLT GHG emissions – Controlled

0.00000 tCO2e/a

S.13 Scope 2 DLT GHG emissions – Purchased

7.68587 tCO2e/a

S.14 GHG intensity

0.00042 kgCO2e

S.15 Key energy sources and methodologies

To determine the proportion of renewable energy usage, the locations of the nodes are to be determined using public information sites, open-source crawlers and crawlers developed in-house. If no information is available on the geographic distribution of the nodes, reference networks are used which are comparable in terms of their incentivization structure and consensus mechanism. This geo-information is merged with public information from Our World in Data, see citation. The intensity is calculated as the marginal energy cost wrt. one more transaction. Ember (2025); Energy Institute - Statistical Review of World Energy (2024) - with major processing by Our World in Data. “Share of electricity generated by renewables - Ember and Energy Institute” [dataset]. Ember, “Yearly Electricity Data Europe”; Ember, “Yearly Electricity Data”; Energy Institute,

"Statistical Review of World Energy" [original data]. Retrieved from https://ourworldindata.org/grapher/share-electricity-renewables.

S.16 Key GHG sources and methodologies

To determine the GHG Emissions, the locations of the nodes are to be determined using public information sites, open-source crawlers and crawlers developed in-house. If no information is available on the geographic distribution of the nodes, reference networks are used which are comparable in terms of their incentivization structure and consensus mechanism. This geo-information is merged with public information from Our World in Data, see citation. The intensity is calculated as the marginal emission wrt. one more transaction. Ember (2025); Energy Institute - Statistical Review of World Energy (2024) - with major processing by Our World in Data. "Carbon intensity of electricity generation - Ember and Energy Institute" [dataset]. Ember, "Yearly Electricity Data Europe"; Ember, "Yearly Electricity Data"; Energy Institute, "Statistical Review of World Energy" [original data]. Retrieved from https://ourworldindata.org/grapher/carbon-intensity-electricity Licenced under CC BY 4.0.