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--- DIGITAL ASSETS
--- INITIAL DISCLOSURE

Blockworks

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B1

Silencio

ICO Token Transparency Filing

FILING -- B1 // STATUS -- NEW // FRAMEWORK -- TTF



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Project & Team

1. Description of Project

Instructions: Provide a concise narrative that clearly states:

- (a) **Problem the project solves** — the problem the project is solving,
- (b) **Operational priorities** — Provide a high-level description of how the project expects to support ongoing development and operations over time
- (c) **High-level project overview** — how the project works at a high level,
- (d) **Primary token functions** — the primary functions of the token (e.g. gov participation),
- (e) **Control surface reliance** — if any, briefly describe the anticipated or possible evolution of the protocol's governance/control model

Answer:

(a) Problem the project solves

Less than 3% of the world's 7,000 languages and 40,000–50,000 dialects are represented in AI training data. The gap is not just about missing languages — it runs through every major one. AI trained on internet text learns the standard version of a language. It fails on the real thing: regional dialects, professional vocabularies, and the speech patterns of communities whose knowledge has never been digitised. The Spanish of Buenos Aires sounds nothing like Bogotá or rural Andalusia. A Kenyan nurse, a Brazilian electrician, a Bangladeshi midwife each speak a version of their language that no corpus captures.

The scraping strategy that built modern AI is running out of road. Researchers estimate publicly available internet data is approaching exhaustion as a training source; some labs are already training on synthetic outputs in recursive loops that degrade model quality. The next leap requires getting closer to the real world — field-recorded, human speech, collected where the speakers actually are.

The demand is validated externally. Microsoft's Project Paza and Google's WAXAL dataset — three years of effort, 11,000 hours across 21 languages — reveal exactly the problem with centralised pipelines. Silencio sourced 250,000+ hours across 150+ languages in a fraction of that time through a decentralised contributor network. The urgency is compounding: linguists estimate more than half of today's languages will fall silent by end of century. Data that is not collected while native speakers are alive cannot be collected later. Silencio is collecting data that will become structurally impossible to collect — that is a moat, not a mission statement.

The problem extends into professional domains — medical, nursing, legal, mechanical, hospitality — and into physical AI: robots deployed in factories, hospitals, and public spaces need training on real speech in real acoustic environments. Negative experiences with AI that cannot understand a user's accent or register directly impede adoption. Field data is the condition for robotics succeeding in deployment, not an optional improvement.

What Silencio is: Silencio Network is the world's largest community-powered voice data collection network — sourcing proprietary, field-recorded, human speech data for frontier AI labs and robotics teams. 2.5 million contributors across 185+ countries. 150+ languages. 250,000+ hours available for immediate licensing, with 1,000–5,000 hours added daily.

Why now: The internet's scraped data is running out. AI labs cannot reach upper-90% accuracy in underrepresented languages without field-recorded human speech — and synthetic data cannot substitute for it. Silencio is the only network with the contributor infrastructure, lab relationships, and compliance posture to supply this data at scale. 5 of the top 10 AI companies globally have already submitted data requests. USD 40,000,000+ in requested data sits in the active pipeline from named enterprise relationships.

Key numbers

Metric	Figure
Contributors	2,500,000 verified across 185+ countries (+500K in Q1 2026 alone)
Languages covered	150+ (50+ low-resource / underserved)
Voice hours available now	250,000+ (+ 1–5K added daily)
Q1 2026 revenue	~USD 100,000 in voice data sales — on track to double in May 2026
Active enterprise pipeline	USD 40,000,000+ across 50+ active leads (~200 addressable labs globally)
Client retention	100% — every lab that completed vendor onboarding has reordered
Lab relationships	5 of top 10 AI companies globally; NDA terms available to credible institutional investors
Unit economics	Buy at ~USD 10/hr · Sell at USD 30–100/hr · Emotional/specialist data up to USD 250/hr · 100% margin on resale
Contributor payouts	USD 3,200,000+ in SLC value distributed to contributors since token launch · USD 71,000+ in USDC paid out for sold datasets in 2026 — all verifiable on Dune dashboard
Buyback activation	Activates once USD 1M+ cash reserve is reached — no fixed date; dependent on revenue trajectory
Token supply	100 billion SLC — hard-capped, deflationary
Near-term catalyst	Peer validation feature — blueprint confirmed with labs, internal testing underway, staged rollout imminent — unlocks off-the-shelf catalogue and validation-as-a-service revenue line

On-chain transparency	https://dune.com/silencionetwork/silencio-network
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Token thesis

As Silencio's data revenues scale — a USD 40M+ pipeline of enterprise lab demand — 75% of those revenues are transferred by Silencio Network LLC to BlockSound Foundation via an inter-company agreement, and BlockSound Foundation executes open-market SLC purchases and burns from a hard-capped 100 billion supply once the USD 1M+ cash reserve threshold is reached. Every dollar of AI industry demand for voice data converts directly into deflationary pressure on the token. Unit economics are expanding, not contracting: standard voice data sells at USD 30–100 per hour; emotional and specialist data commands up to USD 250 per hour, and Silencio is one of a handful of vendors globally capable of sourcing it. The peer validation feature — blueprint confirmed with labs, internal testing underway — is the specific unlock that converts the existing pipeline into closed revenue and activates that flywheel.

(b) Operational priorities and unit economics

Silencio's commercial model is structurally profitable from day one. Data is purchased from contributors at approximately USD 10 per hour and sold to enterprise AI labs and robotics teams at USD 30–100 per hour on standard datasets, with specialist and emotional data commanding up to USD 250 per hour — a ceiling that is still being tested as demand for high-specificity datasets grows and only a handful of vendors globally can fulfil them. Any resale of an existing dataset to a second client is 100% gross margin. The network added 500,000 contributors in Q1 2026 alone; 1,000–5,000 voice hours are added to the catalogue daily.

Revenue is live and accelerating. Silencio generated approximately USD 100,000 in voice data sales in Q1 2026 and is on track to double that in May 2026 alone. Every AI lab that has completed Silencio's vendor onboarding process — a rigorous qualification required by frontier labs before any procurement — has returned for repeat purchases. A 100% client retention rate at this stage, with these buyers, is the strongest possible signal that the data quality and delivery process meets the bar these organisations set. The total addressable enterprise market is approximately 200 AI labs globally as of today; Silencio has active conversations with 50+ and has already established vendor status with several of the most significant. Full client identity is available to credible institutional investors and funds under NDA.

Contributors have received USD 3,200,000+ in SLC value since the token launched and USD 71,000+ in USDC payments for sold datasets in 2026 alone — both fully verifiable on the public Dune Analytics dashboard: <https://dune.com/silencionetwork/silencio-network>. Stablecoin payouts are made directly to contributors whose data has been purchased by an enterprise client; SLC is earned for all qualifying contributions regardless of sale status. This creates a transparent, on-chain verifiable link between enterprise revenue and contributor earnings.

Silencio Network LLC has committed to transferring 75% of data sale revenues to BlockSound Foundation via an inter-company agreement, with BlockSound Foundation executing open-market SLC purchases and burns, once a USD 1,000,000+ cash reserve is established — providing a confident runway for new data product development including egocentric video and environmental audio datasets for robotics training, sourced through the same contributor network. Current monthly burn is approximately USD 75,000 across a 14-person in-house team. The buyback threshold is targeted for Q3 2026. Once reached, 75% of all revenues flow to buybacks with no further conditions. The remaining 25% funds operations.

Silencio Network LLC (Delaware, USA) manages product, data operations, and commercialisation. The BlockSound Foundation (Cayman Islands) manages the SLC token treasury and ecosystem grants. BlockSound TokenCo (BVI) Ltd manages token issuance and exchange listings. The coordination model that makes the network's scale possible is the ability to pay any contributor in the world — instantly, in stable value, with no bank account required — via stablecoins. Traditional financial infrastructure cannot reach most of the people whose voices matter most to this problem. This is the structural reason why a DePIN-native incentive model outcompetes centralised research pipelines: a contributor in rural Nigeria or rural Indonesia can contribute qualifying data and receive payment the same day, at a cost equivalent to a text message.

(c) High-level project overview

Silencio operates two distinct platforms serving two distinct audiences, operating under a single network infrastructure:

silencio.network — Web3 sourcing arm (contributor-facing)

The community and token platform through which Silencio recruits, onboards, and compensates its 2.5 million global contributors. This is the Web3 arm: contributors earn \$SLC and stablecoins for voice data contributions, participate in the monthly community raffle, and hold SLC to access the earning multiplier mechanics. The network is built on DePIN principles — smartphones and browser-based devices act as distributed data nodes, with contribution activity verified on-chain and payouts tracked publicly via the Dune Analytics dashboard:

<https://dune.com/silencionetwork/silencio-network>. The sourcing network has grown by 500,000 contributors in Q1 2026 alone and adds 1,000–5,000 voice hours to the available catalogue daily.

silencioai.com — B2B commercial platform (enterprise-facing)

The sales and delivery platform purpose-built for AI labs, frontier model teams, and robotics companies. This interface is deliberately non-crypto: enterprise clients engage with Silencio as a specialist voice data vendor, with no exposure to token mechanics. The commercial value proposition is speed, coverage, and provenance — 250,000+ hours available for immediate licensing, days from brief to first delivery, with full chain of custody from contributor to delivered file. Clients include organisations requiring data for the following use cases:

- ASR training data: Conversational, read speech, and spontaneous speech with diarization, timestamping, and code-switching support across 150+ languages
- Real-world voice recordings: Everyday speakers in natural environments — capturing authentic speech patterns, accents, and acoustic conditions no studio can replicate
- Emotion, sentiment, and dialect annotation: Labelled by native speakers, not BPO transcribers
- Human QA as a service: Native-speaker quality assurance on audio outputs, model responses, and speech data pipelines at any scale
- Human transcription for niche languages: Expert human transcribers for low-resource and underserved languages where automated tools fail
- RLHF and model evaluation: Preference ranking, quality scoring, and safety red-teaming on voice outputs
- Real-world ambient and environmental audio: Captured at planetary scale via always-on contributor devices

Additional modalities available: video/POV data, multimodal pairs, text and code RLHF, instruction tuning datasets, red teaming, and custom campaigns to specification.

Competitive positioning and data moat

Silencio operates in a market with established players, none of whom cover the same ground. David AI has raised over USD 80 million and specialises in high-quality studio-grade recordings — controlled environments, professional equipment, carefully scripted content. Appen and Mercor are multi-billion dollar businesses that pay contributors globally for data, focused primarily on PhD-level annotation and niche subject matter expertise. These are real businesses solving real problems. They are not Silencio's competition — they are the proof that the market is large and that paying distributed contributors for data works at scale.

What none of them do is what Silencio does: high-volume, field-recorded, real-environment speech data across 150+ languages sourced from 2.5 million contributors in the communities where AI systems will actually be deployed. The critical differentiator is not just linguistic breadth — it is environmental authenticity. Voice data collected in the same acoustic conditions, social contexts, and professional settings in which an AI system will operate is categorically more valuable for training than studio recordings. A voice assistant deployed in a Lagos hospital corridor needs to have been trained on speech recorded in a Lagos hospital corridor — not a sound booth in San Francisco. Silencio is the only network with the contributor infrastructure to source this at scale, in any language, on demand.

The competitive moat compounds with the pipeline: over USD 40,000,000 in data has been specified and requested by 50+ active enterprise leads across an addressable market of approximately 200 AI labs globally. These are not cold outreach targets — they are organisations that have found Silencio, engaged procurement conversations, and in several cases completed the rigorous vendor onboarding process that frontier labs require before any purchase. Every lab that has onboarded has reordered. That retention rate, with these buyers, is the strongest validation that Silencio's data quality and delivery meet the bar these organisations set. The hardest part of enterprise AI data sales — earning vendor status with a frontier lab — is already done. What follows is an upsell motion across new languages, domains, and data modalities with buyers Silencio already knows. Full client identity available to credible institutional investors under NDA.

Every file delivered carries a cryptographic receipt per contribution, providing a full chain of custody from contributor to delivered sample. The platform is EU AI Act compliant and audit-ready at procurement — no remediation required when enterprise clients purchase data. This is increasingly a procurement requirement for frontier AI labs and removes a significant friction point in the sales process.

Validation-as-a-service: the next revenue line

Human validation and transcription of collected data is a requirement for off-the-shelf dataset sales — enterprise clients need proof that data is correctly labelled, linguistically accurate, and fit for model training before committing to large purchases. At the scale and linguistic diversity Silencio operates, centralised validation is not viable: you cannot validate data in languages you do not speak. Silencio is solving this through a peer validation feature launching in the coming weeks, built to the exact specification that enterprise labs require to unlock off-the-shelf purchases.

The mechanics: a recorded contribution requires 10 independent validations from native speakers of the same language before it is approved as human-validated. Validators maintain an internal quality score; correct validation behaviour is rewarded and incorrect validation is penalised, creating a self-regulating quality layer at scale across every language in the network. This feature was designed to the precise requirements of the labs Silencio is already in conversation with — it is not a product hypothesis, it is the specific unlock for a defined pipeline of off-the-shelf deals.

Beyond unlocking Silencio's own catalogue, the peer validation infrastructure is itself a commercial service. ElevenLabs charges clients USD 2 per minute for human validation of voice data. Scale AI operates a comparable human review layer for frontier labs at significant margin. Silencio's contributor community — 2.5 million native speakers across 185+ countries — is the validation workforce that no centralised vendor can assemble. Offering this as a managed service to enterprise clients, including for their own externally sourced datasets, represents a high-margin recurring revenue stream directly alongside data sales. The combination of data sourcing, human validation, and transcription services positions Silencio as a full-stack voice data partner for frontier AI teams rather than a raw data supplier.

Independently of the voice AI platform, Silencio operates the world's largest noise pollution dataset through silenciosound.com — a decade of community-built acoustic intelligence comprising 60 billion unique data points, 15 million mapped venues, and 2.5 billion H3 geospatial grids. This asset powers urban planning, environmental AI, smart city infrastructure, and real-estate intelligence, and is independently licensable as a continuously updated data product. It is owned by Silencio Network LLC and constitutes a separate revenue stream from the voice AI business.

All voice data collection is on an explicit, opt-in consent basis with on-chain consent tracking providing immutable records. Contribution activity and payouts are publicly verifiable: <https://dune.com/silencionetwork/silencio-network>.

(d) Primary token functions

The \$SLC Token is the functional utility and exchange token of the Silencio Network, operating at the intersection of the sourcing network (silencio.network) and the commercial data catalogue (silencioai.com). Its primary roles are:

- Contributor reward mechanism: Contributors on silencio.network earn \$SLC for voice data contributions. Users holding up to USD 800 in \$SLC can earn up to USD 20 per hour once their contributed data is sold to an enterprise client — creating a direct, verifiable link between token holdings, contribution activity, and earnings. With 2.5 million users across 185+ countries, this is a live, high-frequency utility use case at scale
- Off-the-shelf data catalogue access: \$SLC is the access and settlement mechanism for Silencio's pre-built dataset catalogue on silencioai.com. As the catalogue expands across languages, dialects, professional domains, and acoustic environments, commercial data demand drives token utility directly
- Buy-back-and-burn fuel: 75% of revenues from data sales are transferred by Silencio Network LLC to BlockSound Foundation via inter-company agreement; BlockSound Foundation executes open-market SLC purchases and burns, linking commercial scale to deflationary token mechanics
- Staking for governance: Once governance is live (Q1–Q3 2026), holders may stake SLC to vote on key network decisions including treasury allocations, tokenomics parameters, and ecosystem development

- Staking for data seller / developer qualification: Contributors and third-party developers will be able to stake SLC to qualify for certified participant status in the Silencio data marketplace
- Staking to increase community raffle weighting: Active contributors may stake SLC to increase their probability of winning in the monthly community raffle

(e) Control surface reliance and governance evolution

Operational and governance control currently sits with Silencio Network LLC and the BlockSound Foundation. On-chain governance via SLC token staking is planned for Q1–Q3 2026, after which token holders will be able to vote on protocol decisions via a dedicated governance dashboard. The BlockSound Foundation retains authority to implement urgent compliance or security modifications and may transfer governance responsibilities to another qualified entity. All on-chain distributions and burns are publicly verifiable on the Dune dashboard.

2. Known Project Team

Instructions: For each existing entity: Labs/DevCo (e.g., Founder, CEO, CTO, COO), Foundation (e.g., President, Executive Director, CFO, COO), and DAO / onchain governance leadership (if applicable) list the:

- (a) **full names**,
- (b) **official titles**,
- (c) and **prior experience of key team members**.

For any non-existent entity, explicitly mention it does not exist. External links may be included but they will not factor into the score.

Answer:

Labs / DevCo — Silencio Network LLC (Delaware, USA)

Full Name	Official Title	Prior Experience
Thomas Messerer	CEO & Co-Founder	Serial entrepreneur; background in finance, legal, AI, fintech. CEO of Silencio Network LLC.
Theo Messerer	COO & Co-Founder	Co-founder; operations, go-to-market, and business development. Oversees data sales strategy and corporate operations.
Eric Stotz	CDO / CPO & Co-Founder	Chief Data & Product Officer; ex Strategy Consultant at Bain & Company, prior exit — Co-founder and former executive of Buenbit, one of Argentina's largest cryptocurrency exchanges (exited; company subsequently sold). Deep expertise in scalable platform engineering and Web3 infrastructure.
Maximiliano Ejbe	CTO & Co-Founder	15+ years in technology spanning software architecture, software factories, and gaming. Sold an AI company to a US insurance firm; AI product development and data platform expertise. Deep technical expertise managing large technology teams.

Foundation — BlockSound Foundation (Cayman Islands, non-profit)

Full Name	Official Title	Prior Experience
Glenn Kennedy	Authorised Representative, BlockSound TokenCo (BVI) Ltd	Authorised representative for the token issuance entity; legal and compliance expertise in BVI corporate and crypto-asset structures.

DAO / Onchain Governance

A formal DAO does not currently exist. Token-based governance via SLC staking is planned for Q1–Q3 2026. There are no current DAO leadership positions.

3. DAO Structure

Instructions: Provide a structured description of the DAO's governance, powers, and economic rights. If a DAO does not exist, state so. Address the lettered items below. Even if there is no DAO, there must be an answer to (d).

- (a) **IP ownership & control** — State what IP the DAO owns or controls (e.g., codebases/repos, trademarks/brands). Note any license if relevant.
- (b) **Contract/admin powers** — List on-chain or administrative authorities and limits: pause/upgrade roles (e.g., multisig pause), governance-executor authorities, and the method of authority for each (e.g., veto, majority, super-majority).
- (c) **Locked-token rights (conditional)** — If locking/staking for additional rights exists, explain the additional rights and what tokenholders can and cannot decide. If no locking mechanism exists, leave absent.
- (d) **Value accrual & holder rights** — If any, describe the current rights of tokenholders over revenue distribution and the treasury.
- (e) **Dissolution authority** — State who can dissolve/wind up the DAO and by what mechanism (e.g., on-chain vote threshold, board resolution of a legal wrapper).

Answer:

(a) IP ownership & control

No DAO currently exists. All IP — including the Voice AI platform, mobile app, data collection algorithms, brand trademarks, and all domain names — is owned and controlled by Silencio Network LLC (Delaware, USA). No IP has been transferred to any DAO, on-chain entity, or foundation.

(b) Contract / admin powers

No on-chain governance executor exists. Smart contract admin resides with BlockSound TokenCo (BVI) Ltd (token issuance) and the BlockSound Foundation (token treasury, raffle distribution, liquidity pool). The Foundation manages the 7B SLC liquidity pool; this authority is

overridable by majority SLC holder vote once governance is live. Liquidity pool tokens are non-voting.

(c) Locked-token rights (conditional)

Staking mechanisms planned for Q1–Q3 2026. Once live, SLC holders will be able to stake to access governance voting, qualify as certified data sellers or ecosystem developers, unlock premium features, and increase raffle weighting. Staked tokens are locked in smart contracts inaccessible to any Silencio entity. Staking confers service access rights only — no equity, dividends, or corporate governance rights.

(d) Value accrual & holder rights

Token holders currently have no formal claim over Silencio Network LLC revenues. Value accrual operates through two live burn mechanisms — unclaimed raffle tokens burned monthly after each 21-day claiming window, and the buy-back-and-burn commitment (75% of Silencio Network LLC revenues transferred to BlockSound Foundation for open-market SLC purchases and burns, activating once the USD 1M+ cash reserve threshold is reached) — both on-chain verifiable via the Dune dashboard. Once governance is live, token holders vote on treasury allocations and key network parameters.

(e) Dissolution authority

No formal DAO dissolution mechanism exists. The BlockSound Foundation (Cayman Islands) winds up by board resolution under its charter. Silencio Network LLC (Delaware) is subject to standard LLC dissolution procedures. SLC distribution smart contracts run until the 120-month raffle cycle completes.

4. Primary Foundation

Instructions: For the Primary Foundation do the following independently. If an entity does not exist, state that explicitly. Items (a)–(f) apply only if that entity exists; state explicitly that the entity doesn't exist.

- (a) **Entity** — type and jurisdiction.
- (b) **IP ownership & control** — what IP the entity owns/controls (repos/code, trademarks/brand; license optional) and an explanation of any subsidiary entities.
- (c) **Powers over DAO, treasury, protocol-controlled resources, and token administration** — If any, describe the current powers over DAO governance, treasury actions, protocol-controlled resources (e.g. revenue), token administration, or reward parameters, and the method/threshold for each.
- (d) **Powers over DevCo** — explain whether the foundation can exert direct or indirect influence over decision-making of the DevCo.
- (e) **Contract/admin powers** — pause/upgrade/governance-executor authorities and the method/threshold for each (e.g., veto/majority/super-majority; “3/5 multisig”).
- (f) **Current economic arrangements and distribution policies** — Describe any current governance-approved, contractual, or programmatic mechanisms, if any, by which protocol-controlled resources, treasury assets, fees, revenue, rewards, or token

distributions may be directed to this entity, its equityholders, contributors, or other participants. If no such mechanism currently exists, state that explicitly. Do not discuss hypothetical future dividends, repurchases, or distributions unless formally adopted.

Definitions: The primary Foundation and DevCo can be explained as those entities which are directly involved in the issuance of the native token at launch.

Answer:

(a) Entity

BlockSound Foundation — non-profit, Cayman Islands (registration: 411077). Address: 3119 9 Forum Lane, PO Box 144, Camana Bay, George Town, Grand Cayman KY1-9006.

(b) IP ownership & control

The BlockSound Foundation owns no product IP, codebase, or brand trademarks — all of which belong to Silencio Network LLC. The Foundation controls the SLC token treasury smart contracts and the monthly community raffle distribution mechanism on the peaq blockchain. Its subsidiary, BlockSound TokenCo (BVI) Ltd (BVI registration: 2151891), deployed the SLC token smart contracts and holds MiCAR admission-to-trading status.

(c) Powers over DAO, treasury, protocol-controlled resources, and token administration

Current Foundation powers: manages the 7B SLC CEX/DEX liquidity pool (overridable by majority SLC holder vote once governance live; liquidity tokens are non-voting); administers monthly community raffle smart contracts disbursing from the 32.5B SLC reserve over 120 months; executes monthly burns of unclaimed raffle tokens; retains authority to implement urgent compliance or security modifications; may assign governance responsibilities to another qualified entity.

(d) Powers over DevCo

The BlockSound Foundation holds no equity in Silencio Network LLC and has no contractual authority over its operations. The entities operate with independent mandates.

(e) Contract / admin powers

The Foundation holds admin keys to token distribution and raffle smart contracts on the peaq blockchain, with the ability to pause distributions in a security incident. Smart contracts were audited prior to TGE: no critical or high-severity vulnerabilities found; one low-severity issue resolved pre-deployment.

(f) Current economic arrangements and distribution policies

The Foundation distributes its allocation from the 32.5B \$SLC community reserve to raffle winners over 120 months. It receives no share of data sale revenues. Foundation operating expenses are funded from its own reserves. The buy-back-and-burn is executed by BlockSound Foundation using revenues transferred from Silencio Network LLC via an inter-company agreement. No portion is directed to Foundation principals as income.

5. Primary Dev Co

Instructions: For the Primary DevCo do the following independently. If an entity does not exist, state that explicitly. Items (a)–(f) apply only if that entity exists; state explicitly that the entity doesn't exist.

- (a) **Entity** — type and jurisdiction.
- (b) **IP ownership & control** — what IP the entity owns/controls (repos/code, trademarks/brand; license optional) and an explanation of any subsidiary entities.
- (c) **Powers over DAO, treasury, protocol-controlled resources, and token administration** — If any, describe the current powers over DAO governance, treasury actions, protocol-controlled resources (e.g. revenue), token administration, or reward parameters, and the method/threshold for each.
- (d) **Powers over Foundation** — explain whether the DevCo can exert direct or indirect influence over decision-making of the Foundation.
- (e) **Contract/admin powers** — pause/upgrade/governance-executor authorities and the method/threshold for each (e.g., veto/majority/super-majority; “3/5 multisig”).
- (f) **Current economic arrangements and distribution policies** — Describe any current governance-approved, contractual, or programmatic mechanisms, if any, by which protocol-controlled resources, treasury assets, fees, revenue, rewards, or token distributions may be directed to this entity, its equityholders, contributors, or other participants. If no such mechanism currently exists, state that explicitly. Do not discuss hypothetical future dividends, repurchases, or distributions unless formally adopted.

Definitions: The primary Foundation and DevCo can be explained as those entities which are directly involved in the issuance of the native token at launch.

Answer:

(a) Entity

Silencio Network LLC — Limited Liability Company, registered in Delaware, USA (registration number: 7466312, registered 2023-05-16). Address: 1007 N Orange St. 4th Floor, Wilmington, DE 19801, USA. Contact: alex@silencio.network.

(b) IP ownership & control

Silencio Network LLC owns and controls all primary intellectual property of the Silencio ecosystem, including:

- Silencio Voice AI platform — browser-based voice data collection, quality assurance, and enterprise delivery system (silencioai.com)
- Silencio contributor network platform — Web3 sourcing arm, token reward mechanics, and community infrastructure (silencio.network)
- Silencio Sound — world's largest noise pollution dataset: 60 billion unique data points, 15 million mapped venues, 2.5 billion H3 geospatial grids; independently licensable (silenciosound.com)

- Silencio mobile app (iOS and Android)
- Data collection, processing, anonymisation, and quality assurance algorithms
- On-demand sourcing infrastructure and off-the-shelf data catalogue
- Silencio brand and trademarks across all three platforms
- Chrome extension and Dune Analytics data dashboards
- All Silencio Network US and European Trademarks

App development and technical hosting services are contracted to QK Innovations UG (Franz-Joseph-Straße 14, 80801 München, Germany) as a third-party service provider under contract with Silencio Network LLC. Silencio Network LLC retains full ownership of all data assets and commercialisation rights across all platforms.

(c) Powers over Foundation

Silencio Network LLC's co-founders (Thomas Messerer, Theo Messerer, and Eric Stotz) are involved in the broader Silencio Network Ecosystem, creating de facto strategic alignment with the Foundation. However, there is no formal contractual mechanism by which Silencio Network LLC can direct Foundation governance decisions. The DevCo focuses on product and commercialisation; the Foundation focuses on token distribution and ecosystem grants.

(d) Contract / admin powers

Silencio Network LLC holds operational admin access to the Silencio Voice AI platform, mobile app, Chrome extension, data delivery systems, and contributor payout infrastructure. It transfers 75% of data sale revenues to BlockSound Foundation via inter-company agreement for the purpose of executing open-market SLC buyback-and-burn. BlockSound Foundation, not Silencio Network LLC, executes the token purchases on-market. It does not hold admin keys to the core token issuance or staking smart contracts (those reside with BlockSound TokenCo / Foundation).

(e) Current economic arrangements and distribution policies

Silencio Network LLC generates revenues from enterprise data sales to AI labs and robotics teams. Current unit economics: data purchased from contributors at approximately USD 10 per contributed hour; sold to enterprise clients at USD 30–100 per hour. First-sale margins are captured immediately; resale of existing datasets is 100% gross margin. Silencio Network LLC has publicly committed to transferring 75% of revenues to BlockSound Foundation via an inter-company agreement for open-market SLC buyback-and-burn, once the USD 1M+ cash reserve threshold is reached. BlockSound Foundation executes the on-market token purchases; Silencio Network LLC does not purchase SLC directly. This commitment is a published programme obligation, not yet implemented as an on-chain smart contract. The remaining revenue funds operational expenses including platform development, QA infrastructure, team compensation, and marketing. Contributor payouts are made in stablecoins (for data that has been sold to an enterprise client) and/or \$SLC, with the payment method determined by whether the relevant data purchase has been completed by an enterprise client.

Token Supply & Allocations

6. Initial Allocation

Instructions: Disclose launch and initial supply details in a single initial allocation schedule covering the token's launch. Include:

- (a) **Launch supply totals** — the total number of tokens issued at launch, the total number of tokens locked at launch or the total number of tokens unlocked at launch;
- (b) **Recipient categories & use of funds** — the recipient categories with brief explanations as to how the category will use the tokens so an auditor can distinguish each bucket;
- (c) **Initial price per token (if applicable)** — the initial price per token at TGE.. If the token launched via a liquidity bootstrapping mechanism, auction, or other price-discovery process rather than a fixed offering price, describe that mechanism and the final market set price instead. If no fixed price was set, state so.
- (d) **Ticker / market symbol** — the ticker/market symbol;
- (e) **Total supply & supply regime** — the total supply and whether the supply is fixed (if not explain inflation rate or deflation rate);
- (f) **Initial vesting / release schedules** — the initial vesting/release schedules (identify which categories/recipients are subject to vesting and the high-level timing logic);

Answer:

(a) Launch supply totals

Token Generation Event (TGE): 24 January 2025

Total supply: 100,000,000,000 (100 billion) \$SLC — hard-capped, fixed supply. No inflation mechanism or post-issuance minting capability.

Approximate circulating supply at TGE: ~13 billion SLC (13%), comprising beta airdrop unlock (3.75B), CEX/DEX liquidity (7B), and initial community campaign distributions (~2.3B).

Locked at TGE: ~87 billion SLC (87%), subject to vesting schedules, raffle distribution over 120 months, or treasury deployment.

(b) Recipient categories & use of funds

Category	% Supply	SLC Amount	Purpose / Use
Community Reserve (Raffle)	32.50 %	32,500,000,000	Monthly community raffle over 120 months — rewards active data contributors; unclaimed tokens burned after 21-day window
Beta Airdrop	7.50%	7,500,000,000	Distributed to beta users at TGE (50%) and over 6-month linear vest (50%);

			unclaimed tokens recycled to community rewards pool
Initial Community Campaigns	11.00 %	11,000,000,000	Early growth incentives, user acquisition campaigns, and onboarding rewards
CEX / DEX Liquidity	7.00%	7,000,000,000	Deployed on Kraken, OKX, Bybit, Bitpanda, Bitstamp, Bitvavo, Bitstack; managed by BlockSound Foundation
Ecosystem Development Treasury	14.00 %	14,000,000,000	Grants, partnerships, community incentives, and ecosystem expansion; split: 10% general reserve, 4% expansion reserve
Investors	11.00 %	11,000,000,000	Pre-seed, seed, and community round investors; 12-month lock-up, 18-month linear vest post lock-up
Core Contributors	14.00 %	14,000,000,000	Team, developers, and project contributors; 12-month lock-up, 20-month linear vest post lock-up
Advisors	3.00%	3,000,000,000	Strategic advisors; 12-month lock-up, 20-month linear vest post lock-up
TOTAL	100%	100,000,000,000	

(c) Initial price per token at TGE

No fixed offering price was set. \$SLC tokens are distributed free of charge through the monthly community raffle — contributors receive SLC without providing financial consideration. The token was admitted to trading on centralised exchanges at market-determined prices following TGE on 24 January 2025. No fixed-price token sale occurred at TGE.

(d) Ticker / market symbol

\$SLC

(e) Total supply & supply regime

Total supply: 100,000,000,000 (100 billion) \$SLC — hard-capped, fixed supply with no minting post-issuance. The supply is deflationary in practice:

- Unclaimed raffle tokens are permanently burned after each 21-day claiming window (monthly)
- **Buy-back-and-burn:** 75% of data sale revenues transferred by Silencio Network LLC to BlockSound Foundation via inter-company agreement; BlockSound Foundation executes open-market SLC repurchases and burns (activated once USD 1M+ cash reserve threshold is reached)

All burns are on-chain verifiable: <https://dune.com/silencionetwork/silencio-network>

(f) Initial vesting / release schedules

Category	Lock-up	Vesting Schedule	Circulating at TGE
Community Reserve (Raffle)	None	Linear over 120 months via monthly raffle	0.00%
Beta Airdrop	None	50% at TGE; 50% linear over 6 months	3.75%
Initial Community Campaigns	None	Per campaign milestones	~2.33%
CEX / DEX Liquidity	None	Deployed at TGE	7.00%
Ecosystem Development Treasury	None (Foundation controlled)	Deployed as needed per grants/operations	0.00%
Investors	12 months	18-month linear vest post lock-up	0.00%
Core Contributors	12 months	20-month linear vest post lock-up	0.00%
Advisors	12 months	20-month linear vest post lock-up	0.00%

7. Airdrop Process

Instructions:

If the project has planned but not yet airdropped, it must:

- (a) commit to publish, in a public channel **and** provide to Blockworks **quarterly** a recipient wallet list until the initial TGE airdrop is fully completed,
- (b) Generally state the possible target user segments (e.g., “stakers of X,” “Aave users”) and the allocation method (e.g., proportional to ve-balance or net position).

If the project has already airdropped, it must:

- (a) For executed airdrops, point to an per-address source such as CSV/TSV/JSON files, a Dune dashboard, a full Merkle dump, GitHub repo files embedding per-address allocations, or RPC endpoints that expose claim/amount data; explorer links alone don’t count.
- (b) Clearly state covered user segments (e.g., “stakers of X,” “Aave users”) and the allocation method (e.g., proportional to ve-balance or net position).

If the project does not plan to do an airdrop for TGE, it must:

- (a) If no airdrop has ever been conducted, say so plainly (“We have never conducted an airdrop to date and do not plan to execute one”).

Answer:

The Silencio Network conducted a Beta Airdrop at TGE (24 January 2025) and operates an ongoing monthly community raffle distribution.

(a) Per-address source

Beta airdrop allocation data is publicly verifiable on-chain on the peaq blockchain. All distribution transactions, wallet addresses, timestamps, and transaction hashes are tracked and publicly accessible via the Silencio Dune Analytics dashboard:

<https://dune.com/silencionetwork/silencio-network>. Silencio Network will provide Blockworks with direct access to per-address CSV/TSV allocation data upon request.

(b) Covered user segments & allocation method

Beta Airdrop (7.5 billion SLC, 7.5% of supply):

- **Segment:** Verified beta users of the Silencio app / Voice AI platform who participated during the pre-TGE beta period
- **Allocation method:** Proportional to in-app contribution activity (data check-ins, voice recordings, and app engagement metrics) during the beta period
- **Distribution:** 50% (3.75B SLC) at TGE; 50% (3.75B SLC) linearly vested over 6 months
- **Claiming window:** 21 days per distribution event; unclaimed tokens recycled to the future community rewards pool

Monthly Community Raffle (32.5 billion SLC over 120 months, ongoing from 28 February 2025):

- **Segment:** All active Silencio platform users who have earned in-app coins during the respective month through voice data contributions
- **Allocation method:** Lottery-based — users receive one raffle ticket per in-app coin earned in the current month, plus a bonus of 10% of total coins earned in the prior 12 months. 100 million prizes distributed per monthly raffle across Iron, Bronze, Silver, and Gold tiers
- **Claiming window:** 21 days post-raffle; unclaimed tokens are permanently burned on-chain

Transactions & Market Structures

8. Market Maker Agreements & Deals

Instructions: Projects must disclose all material terms of market-making arrangements that affect token liquidity. If the project has no agreements or deals with market makers, state that explicitly; doing so earns full credit. For each market maker, include in a table:

- (a) **Market maker's name** — the market maker's name;
- (b) **Token allocation or loaned amount** — the token allocation or loaned amount as a percentage of total supply;
- (c) **Duration/term of agreement** — the duration/term of the agreement; and, where applicable,
- (d) **Name of agreement structure** — label the financial vehicle being used in the agreement (i.e. loan, option/call, retainer model) without describing trading strategy or expected outcomes.

If the project has no agreements or deals with market makers, state that explicitly; doing so earns full credit. If no native tokens were loaned or allocated to market makers, state that explicitly; cash/fiat retainers or fees are not required for this item.

Answer:

Market maker: Amber Group (Lead Accelerating Limited)

Market Maker Name	Token Allocation Committed	Term Duration	Structure Name
Amber Group, via Lead Accelerating Limited (BVI, registration 2113209)	800,000,000 SLC and 32,000 USDT	12 months from commencement date	Secondary liquidity provider under Liquidity Consulting Agreement

Additional terms: USD 12,000 monthly service fee for the first three applicable exchanges, KuCoin, Gate.io, and MEXC, plus USD 3,000 per additional exchange. Governing law is Hong Kong. Disputes are subject to HKIAC arbitration. Agreement executed between Lead Accelerating Limited and BlockSound TokenCo (BVI) Ltd. Amber Group has been notified of this disclosure and written consent has been requested; confirmation is pending at time of filing.

9. CEX / DEX Agreements & Deals

Instructions: Projects must disclose all material terms of centralized or decentralized exchange listings that affect token liquidity. For each listing, include in a table:

- (a) **Exchange name / DEX pool** — the exchange name (and, for DEX, the specific pool/pair);
- (b) **Token allocation for listing** — the token allocation supplied or committed for listing as a percentage of total supply;
- (c) **Term Duration** — the duration/term of any listing lockups, liquidity, or incentive programs; and, where applicable,
- (d) **Native-token listing fees** — whether any listing fees were paid in native tokens, with amounts (tokens or % of supply), recipients, and any vesting or lock terms tied to the partnership.

If the project has no agreements or deals with CEX or DEX, state that explicitly; doing so earns full credit; cash/fiat fee amounts are not required for this item.

Score: Partially Complete

Answer:

The following exchange listings are active. All agreements were entered into by BlockSound TokenCo (BVI) Ltd. Each listing agreement contains confidentiality provisions covering specific fee amounts. Silencio has contacted all relevant exchanges requesting written waiver of these confidentiality obligations for the purposes of this filing. Full fee disclosures — including specific USDT amounts and SLC token quantities — will be submitted to Blockworks as written waivers are received from each exchange. The status of each waiver is noted below. No exchange listing involved vested SLC incentive programmes payable to the exchange as a fee — SLC tokens provided were for marketing campaigns and liquidity purposes as specified.

Exchange	SLC Tokens Committed	USDT / Cash Committed	Purpose	Confidentiality
KuCoin	SLC tokens for marketing campaigns	Listing fee + liquidity deposit	Listing fee, marketing airdrop/trading competition, liquidity deposit	Written waiver requested — amounts to be disclosed upon receipt of written consent
BitMart	SLC tokens per trading pair for liquidity	USDT per trading pair	Listing fee, liquidity deposit per trading pair	Written waiver requested — amounts to be disclosed upon receipt of written consent
BingX	None	Listing fee	Listing fee	Written waiver requested — amounts to be disclosed upon receipt of written consent
Gate.io	SLC tokens for airdrop and post-listing marketing	Technical integration fee + security deposit	Airdrop campaign, post-listing marketing, security deposit	Written waiver requested — amounts to be disclosed upon receipt of written consent
MEXC	SLC tokens for marketing	Listing fee + liquidity and security deposits	Listing fee, marketing, liquidity and security deposits	Written waiver requested — amounts to be disclosed upon receipt of written consent

Important disclosure: KuCoin, BitMart, BingX, Gate.io, and MEXC listing agreements each involved SLC token allocations for marketing and/or liquidity purposes, confirmed from exchange or market maker side. These were paid from the 7% CEX/DEX liquidity allocation and marketing budgets. SLC tokens were committed for marketing and liquidity, not as equity or vested incentives. Silencio has formally requested written waivers from KuCoin, BitMart, BingX, Gate.io, and MEXC to disclose the specific token and USDT amounts in this filing. Specific amounts will be provided to Blockworks as written consents are received. Silencio undertakes to supplement this filing with confirmed amounts within 30 days of submission or upon receipt of all waivers, whichever is sooner.

Financial Disclosures & Risks

10. Prior Token Sales & Fundraising

Instruction: Disclose all prior token sales by the Project — including fundraising rounds, any material OTC sales to investors, and any discounted market-maker sales. For each sale, provide:

- (a) **Series Name**
- (b) **Early-Stage Investment Instrument used** (i.e. SAFT, STAMP, SAFE, SAFE+Token Warrant, etc.)
- (c) **Date of sale** (at least month & year).
- (d) **Number of tokens sold** (or % of total supply)
- (e) **Vesting schedule**

If no prior sales occurred, state that explicitly (e.g., “No prior fundraising, OTC, or discounted MM sales have occurred.”)

Answer:

Series Name	Investment Vehicle	Date of Sale	Tokens Sold / % Supply	Vesting Schedule
Pre-Seed Round	SAFE (equity) + SAFT (token warrant)	February 2024	Portion of 11% investor allocation (11B SLC total)	12-month lock-up; 18-month linear vest post lock-up
Seed Round	SAFE (equity) + SAFT (token warrant)	December 2024	Portion of 11% investor allocation (11B SLC total)	12-month lock-up; 18-month linear vest post lock-up
Community Round (Legions)	Token allocation (closed community round, Legions platform)	December 2024	Portion of 11% investor allocation; USD 1.3M accepted from USD 112M in requests	12-month lock-up; 18-month linear vest post lock-up

Additional detail:

- **Pre-Seed:** USD 1,000,000 raised, led by Borderless Capital; co-investors include Moonrock Capital, Master Ventures, and angel investors
- **Seed:** USD 2,500,000 raised, led by Blockchange Ventures; co-investors include Borderless Capital, Blockchain Founders Fund, Prosper GmbH & Co. KG, Advanced Blockchain AG, and existing investors
- **Community Round:** USD 1,300,000 accepted from USD 112,000,000 in allocation requests (via Legions platform); deliberately limited to prioritise decentralisation and community breadth
- **Total raised to date:** USD 3,500,000 across all rounds
- No OTC token sales or discounted market-maker token sales have occurred beyond the above

11. Previous Exploits Affecting The Native Token

Instructions: If any, list prior exploits or incidents that directly affected the token, token supply, tokenholder balances, token contract, minting controls, burn mechanics, or custody of token supply. This question is not asking about general protocol, application, or smart contract exploits unless the incident directly affected the native token itself. For each incident, provide:

- (a) **Date & component affected** — date (YYYY-MM or YYYY-MM-DD), chain(s)/component affected;
- (b) **Exploit vector summary** — plain-language summary of the exploit vector (what the hack was);
- (c) **Quantified impact** — quantified impact (assets/tokens affected or a clear “no loss of funds” statement);
- (d) **Remediation/response taken** — remediation/response taken (patches, upgrades, governance actions, compensation);
- (e) **Current status** — current status (resolved, in litigation, under investigation, refunded, etc.);
- (f) **References (optional)** — references (optional): link(s) to post-mortem/advisory/PR.

If **no prior incidents**, state this explicitly (e.g., “No exploits affecting tokenholders or protocol funds as of YYYY-MM-DD”).

Answer:

No exploits affecting tokenholders or protocol funds have occurred as of the date of this filing (April 2026). The SLC token smart contracts deployed by BlockSound TokenCo (BVI) Ltd were subject to a comprehensive third-party security audit prior to TGE (January 2025). Outcome: smart contracts were found to be well-structured, industry-compliant, and free of critical or high-risk vulnerabilities. One low-severity issue was identified and resolved by the development team prior to deployment. Ongoing security measures include regular penetration testing and collaboration with the peaq network on infrastructure-level security reviews.

12. Material Risk Factors (Regulation, Technology, Token Economics)

A. Regulatory, Legal & Tax Risks

Describe how evolving laws and regulations could affect the project by answering, at a minimum, questions like:

Answer:

The SLC Token was issued and admitted to trading in full compliance with MiCAR (EU 2023/1114), with Germany as the Home Member State and notification across 26 EU Member States. Outside the EU, SLC has not been registered under US securities laws and is geo-restricted for US persons and sanctioned jurisdictions. Silencio Network LLC (Delaware), BlockSound TokenCo (BVI), and the BlockSound Foundation (Cayman Islands) are each subject to their respective jurisdictions; regulatory changes in any could require structural adjustment. All voice data is collected on explicit opt-in consent with on-chain tracking, in compliance with GDPR, CCPA, and the EU AI Act. Token holders are solely responsible for their

own tax treatment; receipt of SLC through the community raffle may constitute a taxable event in some jurisdictions.

B. Protocol, Technology & Security Risks

Describe risks to network and contract reliability, correctness, and safety by answering, at a minimum, questions like:

Answer:

Bugs and design flaws: The SLC token smart contracts are deployed on the peaq blockchain (EVM-compatible, Nominated Proof-of-Stake). While audited with no critical or high-severity vulnerabilities found, all smart contract code may contain undiscovered vulnerabilities. The peaq network is a dependency; any consensus failure, network outage, or critical vulnerability in peaq infrastructure could affect SLC token transfers, raffle distributions, and staking operations. The Silencio Voice AI platform and data delivery infrastructure are centralised systems; any platform outage directly affects contributor payouts and enterprise data delivery.

Security measures & their limitations: Security measures in place: (i) third-party smart contract audit prior to TGE; (ii) ongoing security collaboration with peaq network; (iii) multi-layer authentication on platform infrastructure; (iv) regular penetration testing; (v) on-chain consent tracking for all contributor data. These measures reduce but do not eliminate risk. Novel attack vectors or social engineering attacks may not be detected by prior audits. Contributor payout infrastructure (stablecoins and SLC distribution) represents a concentrated operational risk point.

C. Token Economics, Unlocks & Incentive Risks

Describe how the token's economic design and supply schedule could affect holders by answering, at a minimum, questions like:

Answer:

Critical economic assumptions:

The token economics depend on: (i) converting USD 40M+ in active pipeline demand into closed contracts — this figure represents aggregate data specifications submitted by 50+ active enterprise leads across an addressable market of approximately 200 AI labs globally, priced at current market rates; it is not contracted revenue; (ii) the buyback-and-burn mechanism activating once Silencio Network LLC holds a minimum cash reserve of USD 1,000,000, at which point 75% of revenues are transferred to BlockSound Foundation for open-market SLC purchases — the threshold has not yet been reached; (iii) continued engagement from 2.5M+ contributors; (iv) continued exchange listings and market maker liquidity provision; (v) successful expansion into adjacent data categories through existing lab relationships.

The strongest mitigant against demand-side risk is client retention: every AI lab that has completed Silencio's vendor onboarding process has returned for repeat purchases. In enterprise data sales, reorders from frontier labs are the most credible signal that a vendor's quality and delivery meet the required standard. The risk is not demand generation — it is fulfilment capacity. A large contract won that cannot be delivered on time or to specification damages a lab relationship that took significant effort to establish.

The activation threshold for the buyback commitment is a cash reserve of USD 1,000,000+, determined by Silencio Network LLC management. Once reached, Silencio Network LLC transfers 75% of revenues to BlockSound Foundation via inter-company agreement; BlockSound Foundation then executes open-market SLC purchases and burns. There is no on-chain trigger until governance is live. Token holders depend on Silencio Network LLC's good-faith execution of the transfer obligation and BlockSound Foundation's execution of the purchases.

Structural moat and time pressure: 60,000+ dialects projected to disappear by end of century. Data not collected while native speakers are alive cannot be collected later — creating an irreversible scarcity premium on early-collected datasets and a genuine urgency to move at speed.

Operational Risks: Data Validation Bottleneck and Resolution

The single most significant operational constraint on revenue growth is human validation and transcription of off-the-shelf datasets. Enterprise clients require proof that data is correctly labelled and fit for model training before committing to large purchases. The current business generates the majority of revenue through bespoke on-demand collection. The larger commercial opportunity — the bulk of the USD 40M+ pipeline — sits in off-the-shelf catalogue sales, which require human-validated, structured datasets. At the linguistic scale Silencio operates, centralised validation is structurally impossible; you cannot validate data in languages you do not speak.

Silencio is resolving this through a peer validation feature currently in development. The approach is deliberate: Silencio is reverse-engineering the exact validation requirements of the enterprise labs it is already in conversation with, building a technical blueprint confirmed directly by those labs before production development is finalised. The feature requires 10 independent native-speaker validations per recording, with validator quality scores that reward accuracy and penalise poor behaviour — a self-regulating quality layer at scale. Internal testing with a controlled cohort precedes any public rollout. Releasing an untested feature to 2.5 million users simultaneously would risk both data quality and community trust. The staged approach reflects engineering discipline, not indecision. The in-house tech team, hired directly by the CTO, has the capacity to deliver and iterate rapidly.

Once live, the same validation infrastructure becomes a commercial service in its own right: human review for enterprise clients' externally sourced datasets. ElevenLabs charges USD 2 per minute for this service. Scale AI operates a comparable human review layer for frontier labs at significant margin. Silencio's 2.5 million native speakers across 185+ countries is the validation workforce no centralised vendor can assemble — making this a high-margin recurring revenue stream that compounds alongside data sales.

Governance Risks

Once SLC governance is live (Q1–Q3 2026), token holders will vote on key parameters including treasury allocations, tokenomics adjustments, and reward structures. This introduces governance capture risk from large holders, contentious votes on revenue allocation, and potential governance inaction on time-sensitive decisions. The BlockSound Foundation retains veto authority on modifications that conflict with its legal constitution or MiCAR compliance requirements. Until governance is live, centralised control by Silencio Network LLC and the BlockSound Foundation represents a single point of failure for significant operational decisions.