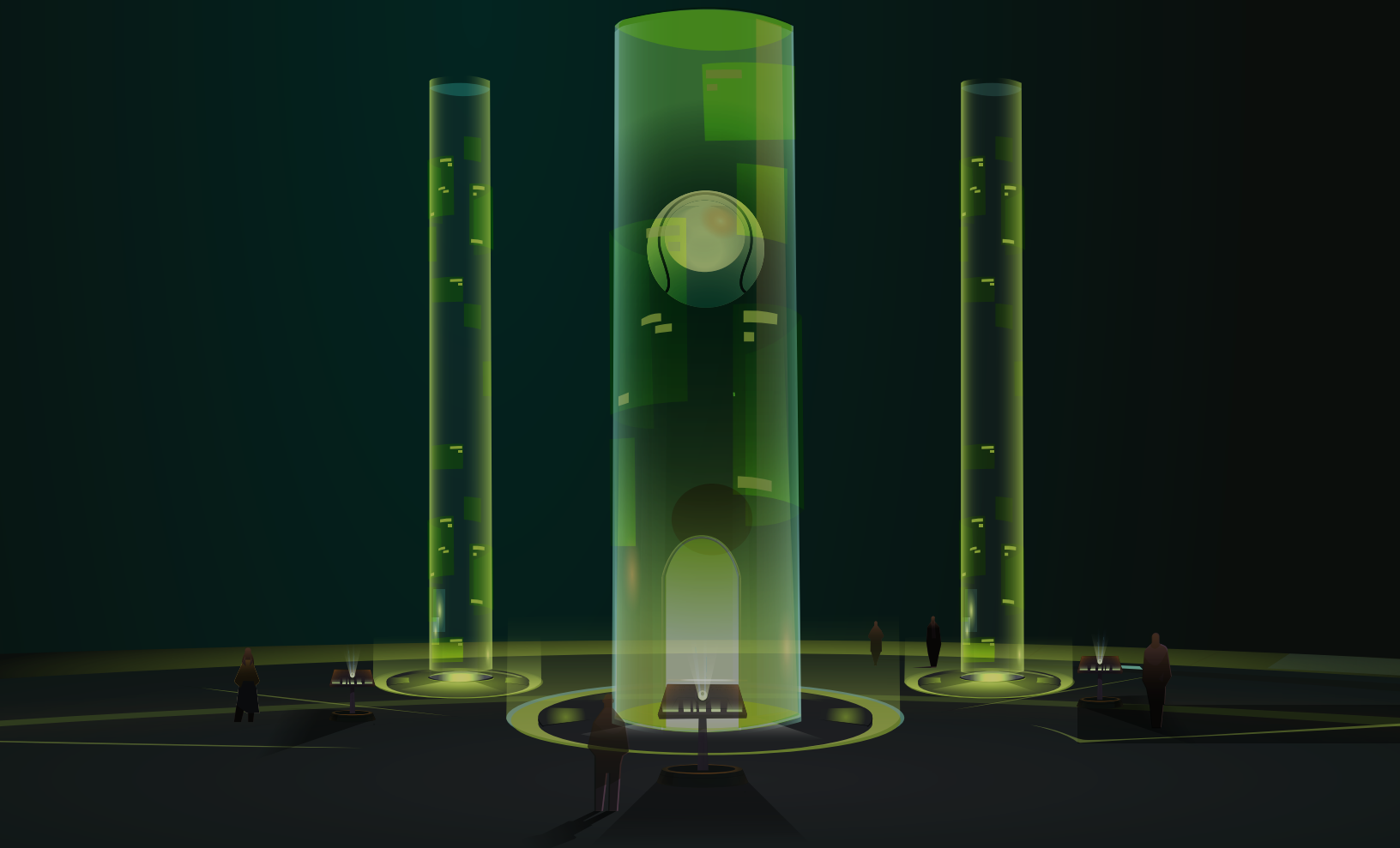
Welcome to

AlphaYields

The Next Generation of Liquid Staking

Combining staked tokens and AI-driven DeFi strategies
into a single, yield-optimized liquid asset.



1. INTRODUCTION

DeFi's biggest foe is the opportunity left on the table

The most powerful innovations often emerge in response to structural inefficiencies. Over the past few years, DeFi has grown rapidly to a $100B+ market – but that growth has come with fragmentation with only around 10% of it being actively optimized. Liquidity, staking rewards, lending opportunities and arbitrage routes are scattered across numerous protocols, chains and interfaces. Users are forced to navigate this complexity manually, often missing the best yields or overexposing themselves to risk.

These are the core problems AlphaYields sets out to solve:

- Fragmented liquidity and staking options across chains and protocols;
- Underutilized DeFi yield opportunities that require expert knowledge to access;
- Inefficient manual strategies, complex interfaces and yield gaps;
- Lack of integration between staking and active strategy optimization.

AlphaYields was born from this market reality – but our journey began earlier.

We **originally launched as SafeYields AI**, a decentralized ecosystem of AI-driven trading and DeFi vaults. While that platform delivered strong returns through isolated strategies, we recognized a larger opportunity: ***to unify staking and yield generation*** into single, liquid assets–fully optimized by automation and **accessible to everyone**.

This insight led to a strategic pivot and rebrand into AlphaYields.

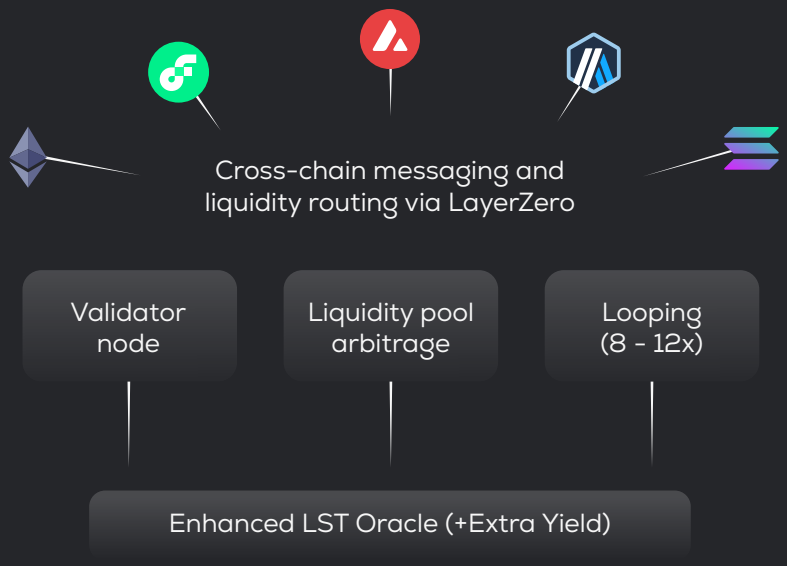
With AlphaYields, users gain access to next-generation ayTOKENs – liquid assets that ***combine traditional staking rewards with compounding DeFi strategies***, AI-optimized execution and cross-chain yield aggregation. **It's your favorite token, with enhanced yield**.

By merging staking, lending, arbitrage, and recursive yield loops into a single, intelligent vault, **AlphaYields transforms passive capital into a high-performance, liquid asset** – built for DeFi's next era.

2. AN INTRODUCTION TO THE ECOSYSTEM

2.1 AI/ML Strategy Engine

At the core of AlphaYields is our in-house AI/ML infrastructure – a modular system that ***monitors and deploys*** optimized strategies across DeFi.



Every strategy is deployed via battle-tested DeFi protocols, **ensuring composability and security.** Users simply mint or buy the relevant ayTOKEN – and the engine takes care of the rest, compounding returns in the background.

We're not just another LST.
We're not a points game.

AlphaYields aggregates real, native DeFi yield – securely across chains

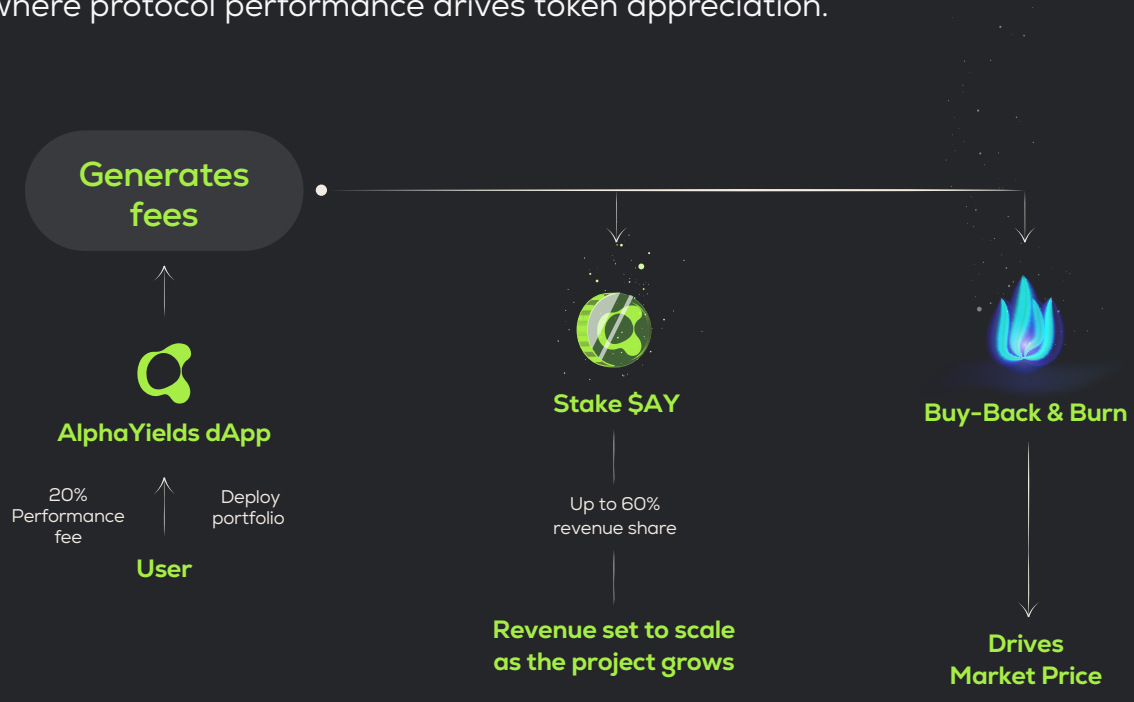
2.2 $AY Token

The **$AY token** fuels the AlphaYields protocol, its fixed-supply and value-accruing – tightly integrated with the performance and adoption of our ayTOKENs.

Key mechanics:

- **Revenue share**: sourced from protocol-generated yield;
- **Buy-back and burn**: A portion of revenue is used to purchase and burn $AY, reducing supply as adoption grows.

The more ayTOKENs in circulation and the more assets compounding yield via AlphaYields, the more value flows back to $AY. This establishes more scarcity where protocol performance drives token appreciation.



3. THE AI/ML STRATEGY ENGINE

AlphaYields abstracts away complexity through ayTokens – liquid staked, yield-bearing assets backed by real-time AI/ML-driven DeFi strategies.

A ***20% performance fee*** fuels protocol development, operations and monitoring – including a **dedicated 24/7 team** ensuring resilience across volatile markets.

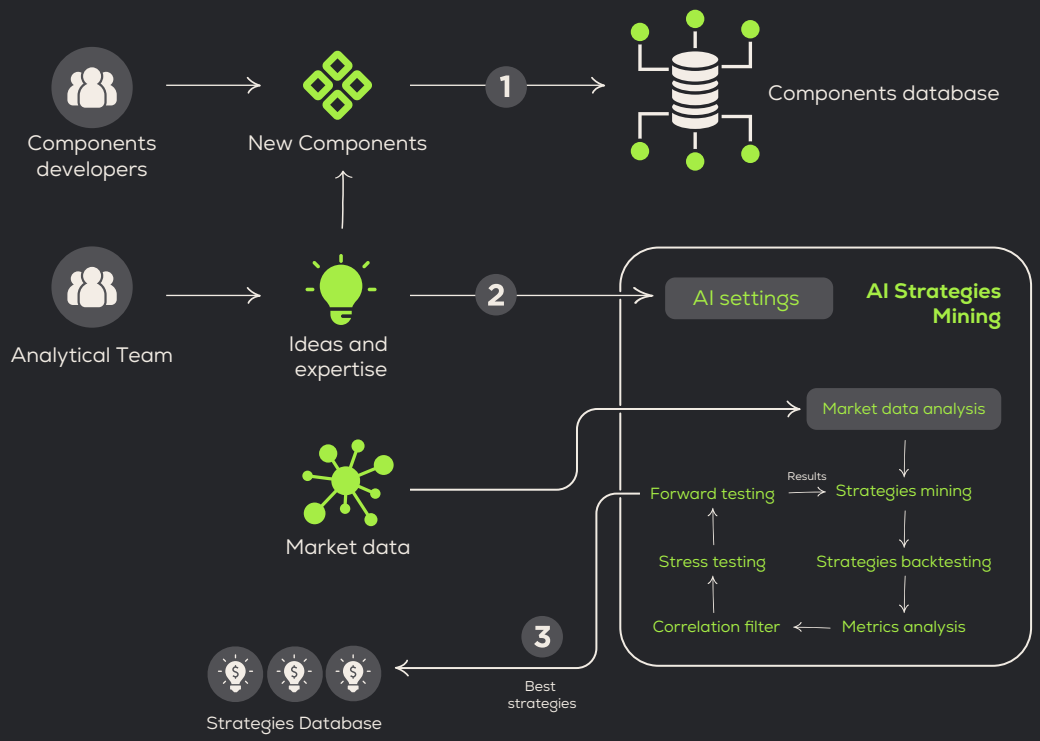
Each ayToken is powered by an automated backend that:

- **Aggregates and reallocates** yield opportunities in real time;
- Combines validator staking, correlated asset looping, arbitrage and liquidity provision;
- Operates only across audited, high-liquidity protocols for **maximum security.**

Users simply hold ayTokens – *the protocol handles the rest.*

3.1 How strategies are generated

At the core of AlphaYields lies our proprietary Strategy Engine, powered by AI/ML systems, market data pipelines, and human-curated expertise. The process can be broken into **three collaborative layers:**



1. Component Development

Our engineering and AI teams build modular components – ***including neural networks, pattern recognition models and advanced analytics*** – which are stored in a dynamic ***Component Database***.

2. Strategy Mining & Validation

Our AI Engine combines market data, component logic and human insights to continuously generate, test and optimize DeFi strategies:

- **Market data analysis** fuels new strategies;
- **Backtesting and stress testing** ensure robustness;
- **Forward testing** evaluates live-readiness;
- **Correlation filters** ensure portfolio diversification.

Only the best-performing strategies, which pass stress tests across multiple market conditions reach deployment.

Strategy Deployment via ayTokens

Final strategies are deployed through ayTokens – our liquid, yield-bearing assets. These tokens ***represent portfolios of optimized DeFi opportunities, including:***

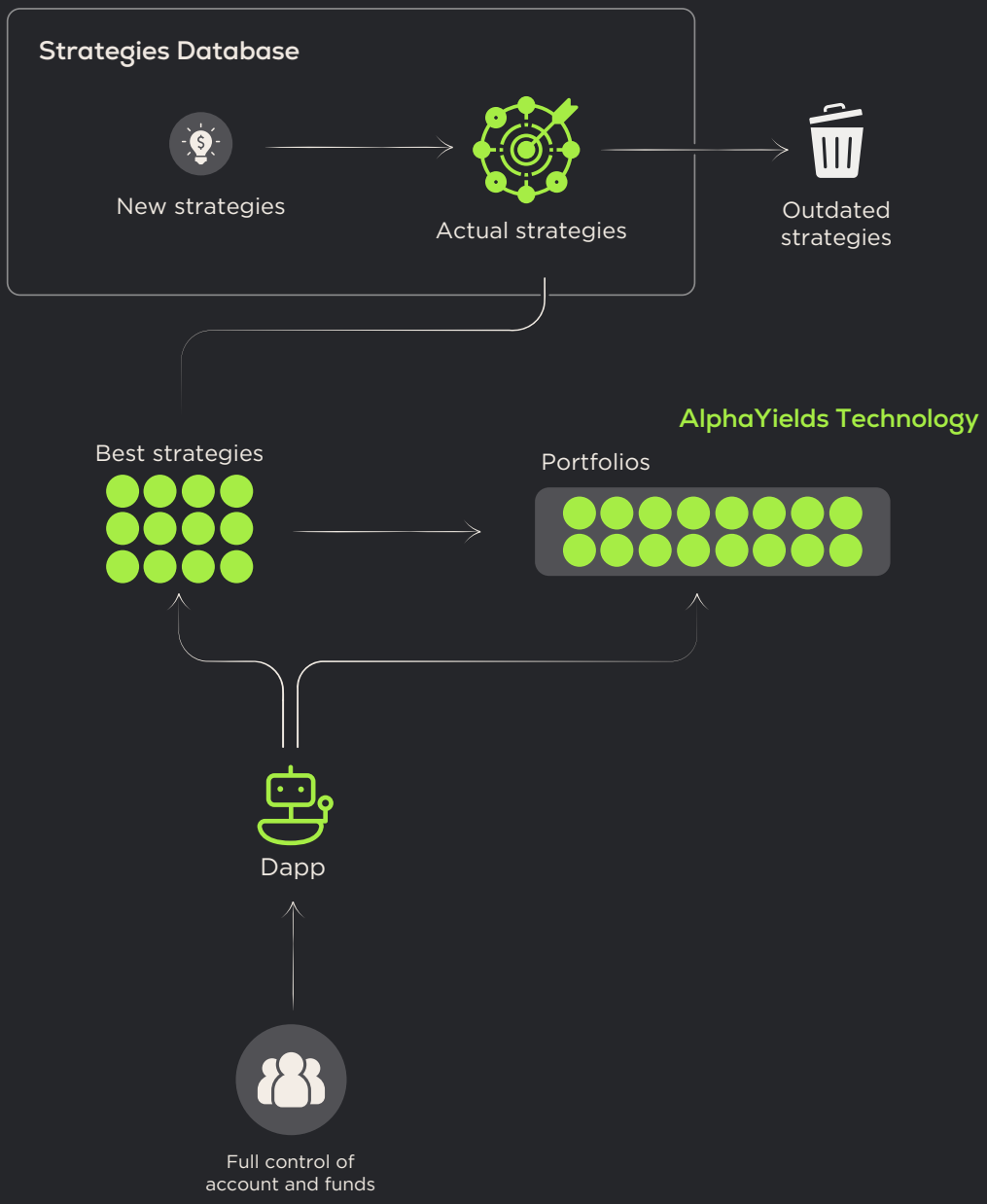
- **Validator staking**;
- **Correlated asset looping** (e.g., stETH-ETH);
- **Liquidity provision**;
- **Arbitrage across fragmented ecosystems.**

These strategies are dynamically rebalanced by the engine to adapt to ***evolving market conditions***.

Additionally, the AlphaYields Strategy Engine constantly monitors live market conditions across DeFi and trading ecosystems. ***This allows us to:***

- **Adapt in real-time**: Each ayToken automatically adjusts its internal strategy allocation as conditions shift. If a yield opportunity becomes less efficient, it is replaced with a better one from our database;

- **Diversify dynamically:** The engine runs dozens of strategies concurrently, creating diversified portfolios with uncorrelated behavior–improving risk-adjusted returns;
- **Continuously optimize:** Outdated strategies are removed from the pool and replaced through a loop of constant backtesting, forward testing and correlation analysis.



This process would take human analysts months to execute – ***AlphaYields automates this process continuously in real time***.

3.2 Performance: Live MVP on Flow Blockchain

To validate our architecture and yield optimization engine, we launched a live MVP on the Flow Blockchain, demonstrating the core value of intelligent, liquid staking powered by automation and active yield strategies.

$2M total user deposits

$5M FLOW

$6.7M Assets Under Management

16M ankrFLOW
29% of total supply

32.9% APY

Battle tested

$400K Arbitrage Volume

$1M FLOW in the first month

Real Yield. Real Volume. Real Traction.

These results ***validate the core thesis of AlphaYields***: that smart Liquid staked tokens combining staking, DeFi strategies and automation can outperform passive solutions.

3.3 DeFi Strategies

3.3.1 Looping

One of the foundational pillars of AlphaYields' yield-enhancing approach is looping – a time-tested strategy ***rooted in recursive lending and borrowing***. By automating and optimizing this method, we enable users to unlock amplified returns from a single collateralized position, all while maintaining liquid exposure via their ayTokens.

The core idea is to leverage the supplied position multiple times over to increase exposure and, consequently, yield – while still retaining ownership of the base asset.

A common use case involves supplying a yield-bearing asset like stETH as collateral and borrowing a correlated but non-yielding asset like ETH. Because stETH accrues yield while ETH does not, the user earns net-positive APR in addition to leveraging the position. This is commonly referred to as **correlated looping**.

General Looping Calculations

Assuming a base asset (e.g., stETH) with an APR of r_s, and a borrowing cost of r_b, and a maximum loan-to-value (LTV) of l, the effective APR after n recursive loops can be approximated by:

Assuming:

- **S** is the initial supplied amount.
- **L** is the collateral ratio (e.g., 75%).
- **n** is the number of loops.
- **r_s** is the staking or supply rate.
- **r_b** is the borrowing cost.

Effective Supplied =

$$S\_eff = S * (1 + L + L^2 + ... + L^n) = S * (1 - L^{n+1}) / (1 - L)$$

Effective Borrowed =

$$B\_eff = S * (L + L^2 + ... + L^n) = S * L * (1 - L^n) / (1 - L)$$

Net APR =

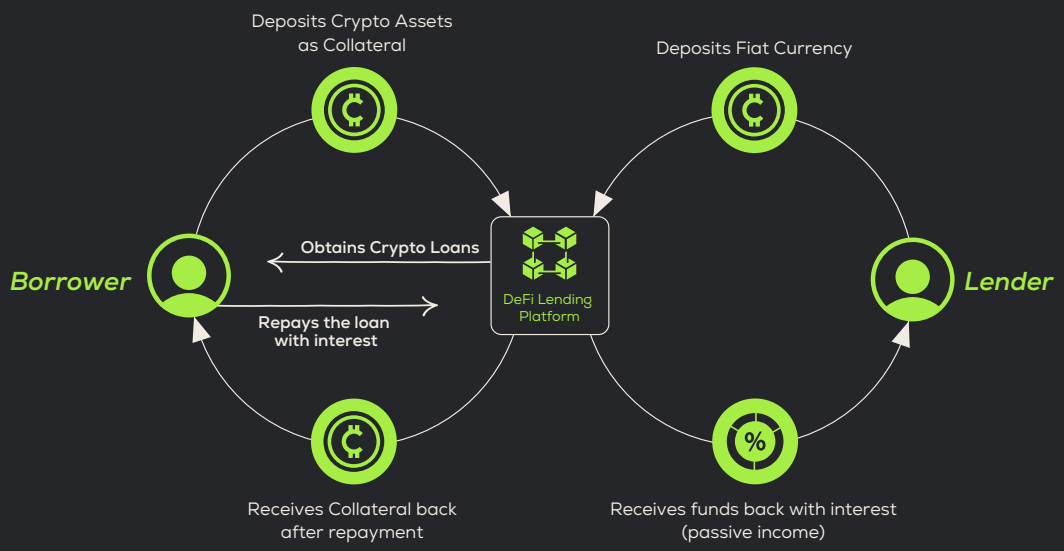
$$APR\_net = (r\_s * S\_eff - r\_b * B\_eff) / S$$

This recursive structure enables us to magnify staking yields while carefully **managing risk exposure**.

AlphaYields only loops vetted assets on highly liquid markets using liquid staking tokens (stTokens) as collateral. This adds a layer of yield stacking while reducing protocol risk exposure.

Example Strategy Flow:

1. Stake ETH into a protocol to receive stETH;
2. Use stETH as collateral in a lending market (e.g., Aave, MoreMarkets);
3. Borrow ETH and swap for more stETH;
4. Repeat the process n times;
5. AlphaYields deploys the looped position and continuously monitors the health ratio;
6. Yields are streamed back to the user via their ayToken.



3.4.1 Arbitrage

Arbitrage remains one of the ***most effective methods*** for extracting value across fragmented liquidity markets – but it's also one of the most technically demanding. With the proliferation of decentralized exchanges (DEXs), bridges and L2 ecosystems, price discrepancies frequently emerge between the same asset across different venues.

AlphaYields deploys cross-market arbitrage strategies powered by our AI/ML infrastructure, identifying and acting on these opportunities in real-time to enhance yield for all ayToken holders.

The Core Concept

Let's assume ayETH is trading at slightly different prices on two DEXs:

- On DEX A, ayETH = 1.05 ETH
- On DEX B, ayETH = 1.00 ETH

An arbitrage opportunity exists: buy on DEX B and sell on DEX A, netting a 5% profit before gas fees and slippage. While simple in theory, ***the execution is anything but:***

- You must monitor prices across dozens of DEXs and L2s;
- You must account for gas fees, bridging delays, slippage and pool depth;
- Most importantly, you must execute in milliseconds – before the opportunity disappears.

This is where AlphaYields steps in. Our in-house automation stack – developed during the SafeYields AI era – **is capable of:**

- **Scanning pools across chains** and aggregators (including UniSwap, Curve, etc.);
- **Evaluating net profitability** post-gas and slippage;
- **Routing capital automatically** using smart contracts and bridging infrastructure;
- **Adjusting routes dynamically** based on market volatility and liquidity.

These capabilities allow AlphaYields to **efficiently extract value** from fragmented markets without human intervention – generating alpha for all protocol participants.

Why It Matters for LSTs

Liquid staked tokens (like stETH) must trade as close as possible to their underlying value to maintain scalability, user trust and usability across DeFi.
Arbitrage is key to:

- Maintaining parity with native tokens;
- Preventing manipulation in low-liquidity venues;
- Keeping the peg tight across chains and DEXs.

By actively arbitraging ayToken price disparities, **AlphaYields ensures healthy secondary market pricing**, unlocking new integrations and utility whilst enhancing yield on your favourite asset.

4. $AY TOKEN

4.1 A Sustainable Value Accrual Mechanism

The $AY token is **designed as a cornerstone** of the AlphaYields ecosystem – combining fixed supply dynamics with a sustainable, performance-based value accrual model.

With a hard cap of 20 million tokens, **$AY avoids the inflationary pressures** seen in traditional DeFi emissions models. This fixed supply ensures **long-term scarcity**, giving the token a solid foundation for market-driven price appreciation.

A core feature of the tokenomics is a **buy-back and burn mechanism**:

- A portion of all protocol revenue is used to **purchase $AY from the open market**;
- These tokens are **permanently removed from circulation**;
- This results in **continuous supply reduction**, increasing scarcity as demand grows.

Importantly, **revenue is generated through real, on-chain strategies** deployed across DeFi. The better the protocol performs, the more revenue is allocated to buybacks – **creating a self-reinforcing feedback loop** between platform performance and token value.

This structure rewards both short-term users (via high-yield ayTokens) and long-term holders of $AY, who benefit from organic appreciation and protocol growth. There are ***no inflationary emissions***, no complex collateralization layers – just a clean, transparent model driven by real yield and strong fundamentals.

In short, $AY is not just a governance or utility token – it's a direct reflection of the AlphaYields ecosystem's success.

4.2 Revenue Distribution & Token Utility

The $AY token uses a dual revenue model to ensure both value creation and long-term sustainability:

- **35% of all protocol revenue** is used to **buy back and burn $AY** from the market, reducing supply and enhancing token scarcity;
- **35% is allocated to stakers** from a fixed pool of **11 million tokens**, rewarding participation and supporting decentralization.

This structure creates a **balanced ecosystem** where short-term activity feeds long-term value, and protocol growth directly benefits token holders through transparent, on-chain mechanisms.

Once emissions are fully distributed, revenue allocation will evolve to support long-term protocol incentives and governance..

4.3 Long-Term Revenue Sharing

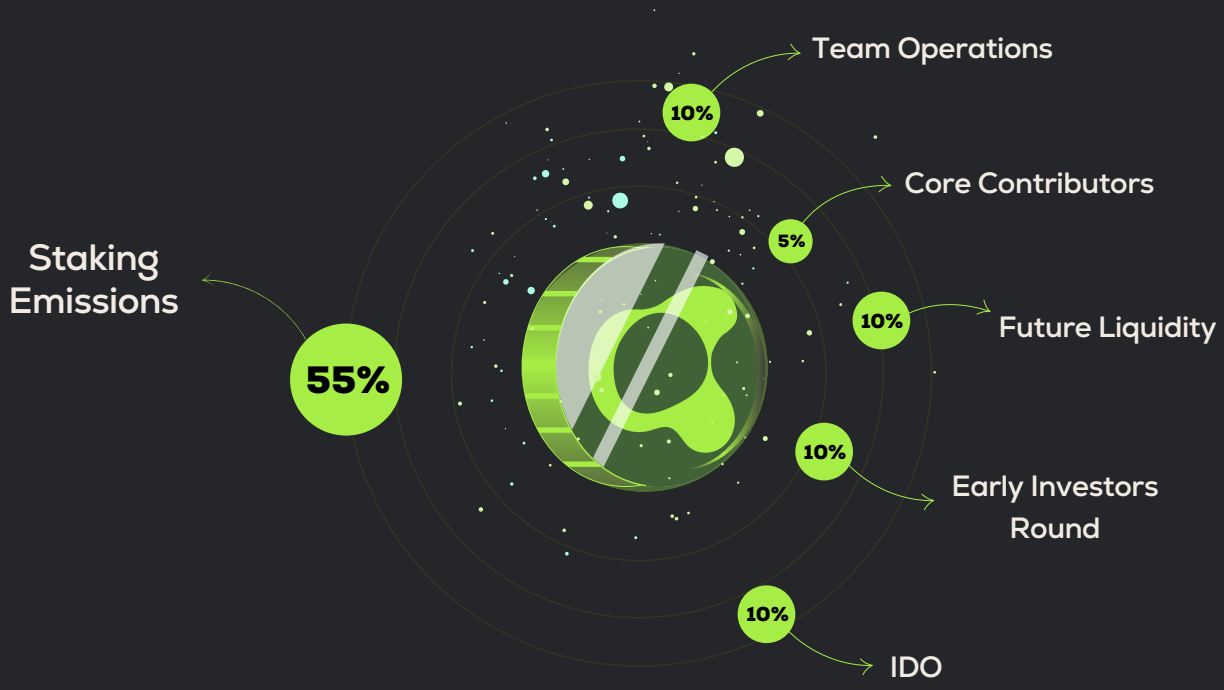
Once the **full 11M $AY** emissions are distributed, the protocol transitions to a direct **revenue sharing model**:

- ***60% of protocol revenue will be distributed to stakers in USDC*,** offering stable, real-time returns tied to protocol performance;
- ***10% of revenue will continue to fund $AY buy-back and burn***, ensuring long-term value appreciation through supply reduction.

This post-emissions model prioritizes ***real yield and sustainability***, strengthening incentives for long-term participation while preserving $AY's deflationary nature.

5. $AY TOKENOMICS

Total Supply	20000000	100%	Vesting Period
Team Operations	2000000	10%	Linearly for 24 months
Core Contributors	1000000	5%	6 month cliff then linearly for 12 months
Future Liquidity	2000000	10%	100% from listing
Early Investors Round	2000000	10%	1 month cliff then linearly for 5 months
IDO	2000000	10%	Linearly through 5 months



6. ROADMAP

From MVP to Multi-Chain LST 2.0 Deployment.

AlphaYields is evolving from a proven MVP into a fully interoperable, AI-enhanced liquid staking protocol built to maximize real yield across DeFi.

This roadmap outlines our phased approach to growth – ***focusing on real yield, scalability, and institutional-grade access*** – with progressive milestones for TVL, product expansion, and ecosystem integrations.

Q4 2025

- MVP live on Flow Blockchain;
- Reach $2M in TVL;
- Deploy Layer 0 infrastructure for seamless bridging across EVM chains.

Q1 2026

- Launch of the $AY token;
- AlphaYields deployment on Ethereum mainnet and select EVM blockchains;
- Reach $5M in TVL.

Q2 2026

- Launch of cross-chain AI-driven arbitrage engine;
- Internal real-time TVL & yield routing monitoring;
- Begin major marketing campaigns focused on ayToken awareness;
- Active BD outreach to ecosystems, institutional partners, and DAO treasuries.

Q3 2026

- Expansion of ayTokens: ETH, BTC, FLOW, ALGO, and more;
- Launch of liquidity support programs with chain-specific partners;
- Institutional onboarding and integration with DeFi-native treasuries;
- Continued marketing push across DeFi-native and institutional channels.

Q4 2026

- MVP live on Flow Blockchain;
- Reach $2M in TVL;
- Deploy Layer 0 infrastructure for seamless bridging across EVM chains.

By Q4 2026, AlphaYields aims to be the leading multi-chain platform for intelligent liquid staking.

CONTRIBUTORS

Filipe Leonor
Founder

- **Serial entrepreneur**, having started several businesses in Lisbon, Portugal;
- **More than 8 years** of experience in DeFi;
- **Co-Founder at Decentralized Foundation** in 2020 - portfolio starting at 40.000$ and peaking at 200.000$;

Bogdan
Co-Founder

- Applied **mathematics and computer science** from Kyiv Technical University Institute;
- More than **12 years of experience** in AI/ML Engineer;
- **Founder at AlphaCube**, generating algo trading portfolios scalable for 100M+ AUM.

Alexander
Solidity Developer

Passionate DeFi builder. Experience in Smart Contracts, Gas optimizations, Scripts (BOT) and security vulnerabilities.

Mark Spang
Community & Communication

With experience since 2016 in crypto and community DAOs, specializes in building communities and Twitter growth. Successfully launched projects, significantly increasing visibility and conversion rates in the crypto space.

Carlos Chop
Front End Developer

Software developer with experience in frontend, backend and mobile applications.

Talissa Fregona
UI/UX & Branding

Experienced UI/UX designer with a history of optimizing website user experiences for major European companies. Expertise also includes creating visuals for web3 projects, creating and elevating brand awareness, and structuring heavy documentation such as whitepapersl

ADVISORY CONTRIBUTORS

Richard Caetano

Strategy

A blockchain pioneer, co-founded Akord and Stratumn and authored 'Learning Bitcoin.' Expertise in blockchain integration and data security.

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Legal

Founder of DPC - Legal Services and registered with the Portuguese Bar Association, focuses his activity on the areas of Web 3.0 & Fintech.

Dima Yastremsky

Strategy

Building digital companies since 2014. Founder with 2 exits. Ex- Managing Partner at NEAR s Ecosystem VC Fund. Advisor in Strategy, Product, Growth, and Fundraising.

LEGAL LIABILITY

Organizational structure

AlphaYields is a decentralized autonomous organization that is in a progressive process of reducing human intervention (developers & managing representatives) and increasing the level of autonomy and decentralization, with a view to reaching 100% by Q4 2026. AlphaYields operates through active involvement and input from its members, emphasizing the power of decentralized collaboration over individual actions.
The organization is dedicated to fostering an inclusive, supportive, and innovative community. This paper's summary of the organizational structure referenced is not intended to be complete and may become inaccurate based on subsequent developments.

Taxes and legal compliance

AlphaYields and its members are expected to adhere to all applicable taxes and legal regulations. Individual responsibility is crucial in this regard, and members must seek professional advice for legal and tax matters. The organization and its members cannot provide such advice. It is imperative for every member to comply with local laws and be aware of tax implications related to their involvement. Transparency and adherence to the law are vital to prevent potential legal complications. Although managing taxes and legal compliance can be complex, it is essential for the long-term success and sustainability of AlphaYields.

No partnership

Every member acknowledges that the DAO's purpose is to assist Web3 founders and the community, not for personal enrichment at the community's expense. It is clarified that the DAO is not a partnership. Each member affirms that they are not joining with the intention of forming or becoming part of a partnership. Members also recognize that they do not have individual managerial control or authority over the DAO's daily operations or business conduct.

Liability

Each member also affirms and recognizes that they cannot be held accountable for the actions of another member. Any liabilities arising from the DAO's actions are solely the responsibility of the DAO itself, not its individual members, regardless of the circumstances. If a member incurs liability related to the DAO's activities, other members are not jointly or severally liable due to their membership status. No member has the authority to represent the DAO without approval through a DAO vote, and each member commits not to claim such authority without proper approval.
Additionally, members acknowledge that they do not owe fiduciary duties to one another or the DAO, and any such duties, if existing, are eliminated to the fullest extent allowed by law.

Risks

DAOs operate in unexplored and experimental domains, carrying inherent risks. Technical issues with smart contracts could occur, and despite preventive measures, hackers might exploit vulnerabilities to compromise AlphaYields' funds or disrupt its intended operation. Additionally, numerous risk factors, encompassing blockchain technology, cryptographic advancements, and metacartel's business operations, could prevent us from realizing anticipated results or developments, either partially or entirely. Even if achieved substantially, these outcomes might not deliver all the expected benefits.

Disclaimer

$AY tokens function as governance, utility and payment tokens within the AlphaYields ecosystem. It's crucial to note that they are not considered securities and are not meant for speculative investment. This paper is also not intended to constitute an offer to sell, or solicitation of an offer to buy any securities. Importantly, they do not grant participation in any legal entities representing AlphaYields, nor do they provide rights in such companies. These tokens are sold as functional goods, and any proceeds received by AlphaYields can be used freely without restrictions. There are no guarantees of future performance or value, and they do not hold inherent value, promise continuous payments, or ensure any specific value. The information provided here is not guaranteed to be accurate and should not be relied upon by anyone. No representations or warranties are made regarding its accuracy. The content of this paper does not constitute legal, tax, or financial advice for any person. Additionally, any forward-looking statements in this document are based on certain assumptions and are subject to risks and uncertainties that can change over time. We reserve the right to change the plans, expectations, and intentions stated herein at any time and for any reason, in our sole and absolute discretion. We are not obligated to publicly update or revise any forward-looking statement, except where required by applicable law, regardless of new information or future developments. Therefore, we advise against relying on the statements in this document for making any financial decisions or investments. This includes decisions related to selling or trading $AY tokens, other cryptographic or blockchain tokens, or securities of any company, organization, or group. It's essential for buyers to be experts in dealing with cryptographic tokens and blockchain-based software systems.

AlphaYields

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