

MEMO

To	Hanover Square Capital (UK) Limited Ltd 6th Floor 9 Appold Street, London EC2A 2AP United Kingdom Attn. Arvinder (Arvi) Sood	CMS DeBacker Luxembourg SCS 5, rue Charles Darwin, L-1433 Gasperich, Luxembourg
From	CMS DeBacker Luxembourg SCS	
Date	27 August 2025	Tel + 352 26 27 53-1 Fax + 352 26 27 53-53 www.cms.law
Subject	Legal and tax analysis of certain key aspects of the structuring of the Alkemya STO project	

I. INTRODUCTION

The purpose of this legal memorandum and tax strawman¹ (the **Memorandum**) is to provide an overview of the essential aspects involved in the issuance and offering of USD-denominated limited partnership interests (the **LP Interests**) by a *société en commandite spéciale* – SCSp (the **Partnership**), to be established under the Luxembourg law of 10 August 1915 on commercial companies, as amended (the **Companies Law**) together with the core elements for the issuance of tokenised LP Interests in line with your Project (as defined below).

The analysis will focus on essential legal elements required to align with Luxembourg’s regulatory framework (I), as well as the tax implications specific to the anticipated activities of the Partnership on a high-level basis (II). By addressing these core aspects, this Memorandum aims to facilitate a compliant and tax-efficient setup that supports the Partnership’s operational objectives.

This Memorandum has been prepared for the exclusive benefit and use of Hanover Square Capital (UK) Limited Ltd, Alkemya (as defined below) and the Partnership (to be incorporated) (the **Client**). Accordingly, it is addressed only to, and may be relied on by the Client. Neither this Memorandum, nor its content shall be shared with or in any way transferred to any party other than the Client, and any person to whom disclosure is required (i) by law, court order or the mandatory rules or regulations of any competent supervisory or regulatory body, including the *Comisión Nacional de Activos Digitales (CNAD)* in El Salvador, or in connection with any judicial proceedings relating to the Memorandum and the Project, or (ii) the officers, employees, auditors and professional advisers of the Client, except with our prior written consent.

This Memorandum is based on the applicable law in Luxembourg as at the above date and its application and interpretation by the Luxembourg tax authorities (**LTA**) as well as by Luxembourg courts (as far as publicly known). We cannot exclude that the administrative and decision-making practice of the LTA and Luxembourg courts in their assessment of the issues described will change and will lead to other results. In addition, there may be changes in the relevant laws after the date of this Memorandum.

Unless expressly noted, this Memorandum does not consider any current or foreseen proposals or projects to implement changes in Luxembourg law, regulation, tax treaties or administrative practice officially published after the date of this Memorandum. Except if expressly engaged, CMS DeBacker Luxembourg has no responsibility to update any of the advice contained in this Memorandum for any such changes or to notify the Client thereof.

¹ If convenient, we would be pleased to further develop the key Luxembourg tax matters described in this Memorandum in a more detailed tax memorandum (e.g., Option 2 of the engagement letter).

Our analysis is of a general nature, limited to the relevant aspects pertaining to the issues summarised in this Memorandum, and is not to be understood as a comprehensive analysis of all aspects and ramifications related thereto.

Our comments are subject to the facts and assumptions listed below.

II. FACTS AND ASSUMPTIONS

We understand that Alkemya Luxembourg S. à r.l. (**Alkemya**), a private limited company incorporated under the laws of Luxembourg, intends to proceed with the incorporation of the Partnership. Alkemya will be the founding limited partner (**LP**) of the Partnership by subscribing to limited partnership interest (**LP Interest**), the consideration of which will be paid in kind (the **Payment in Kind**) by transferring to the Partnership a portfolio of industrial metals, including 7,026,904.76 linear metres of 99.99% 0.025 mm diameter pure nickel wire asset (the **Assets**) that it currently owns. A separate Luxembourg entity will act as the general partner of the Partnership (the **GP**), which will hold a nominal interest in the Partnership limited to EUR 1. The LP Interests will be tokenised (the **Tokens**) and listed in the trading platform located in El Salvador of Bitfinex Securities Platform (**Bitfinex**). Alkemya, alongside Bitfinex and a blockchain technology provider intends to implement a solution pursuant to which the Tokens will be offered and traded by professional and institutional investors (and potentially retail investors outside of the European Union) (the **Investors**). The Tokens may be traded in cryptocurrencies such as Tether (USDT).

The LP Interests/Tokens will be commercialised by Alkemya at a discount (e.g., the current value of the assets is of USD 1,643,733,561.46 and these will be sold at a discounted price of USD 800m). The intention is to commercialise the entirety of the LP Interests within 3 to 6 months after starting the commercialisation.

Alkemya will put in place a mechanism from an operational perspective that in any event allows it to transfer such LP Interest/ Tokens before the value of the Assets increases to a level which would trigger a gain from a Luxembourg GAAP perspective.

Alkemya's shareholders are tax resident in Turkey (Mr. Ahmet Ören holds 49.0% of the share capital), Luxembourg (both (i) Titrico SARL² which holds 23% of the share capital and (ii) ICS Securities³, which holds 11% of the share capital) and Italy (Mr. Carlo Guido della Peruta holds 17% of the share capital).

The facts described in the paragraphs above shall be referred to as the "**Project**".

We further understand that it is not intended and we assume that the Partnership will (i) not be subject to the supervision of the Luxembourg *Commission de Surveillance du Secteur Financier* (**CSSF**), (ii) not qualify as a securitisation undertaking pursuant to the Luxembourg law of 22 March 2004 on securitisation, as amended from time to time, (iii) not qualify as an alternative investment fund (**AIF**) for the purposes of the European Parliament and of the Council Directive of 8 June 2011 on Alternative Investment Fund Managers, as amended (**AIFMD**) and the Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended (**AIFM Law**), and (iv) not qualify as a "securitisation special purpose entity" (**SSPE**) as defined in Article 2 (2) Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent, and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC, and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012.

The Tokens will be offered on the basis of an offering memorandum containing the corresponding terms and conditions (the **Offering Memorandum or the Relevant Information Document ("RID") as known in El Salvador**). The Offering Memorandum/RID will be governed by the laws of El Salvador.

² The UBO is Mr. Genero Scotto, tax resident in Malta.

³ The UBO is 'Adimer Trust-F', tax resident in Madeira.

The proceeds received by Alkemya from the sale of the Tokens in the Bitfinex platform will be used (i) to inject additional capital into the Partnership for working capital purposes of the Partnership, including (a) to finance, through an intermediate holding company in Luxembourg⁴, GTX, a subsidiary limited liability private company incorporated and located in Singapore (GTX), to invest in targeted research by, among others, establishing an R&D facility⁵, financing research CAPEX equipment, working capital towards the lead research head and the lab technicians or procurement of additional samples for testing and development of new mesh design, product development, and invest in a mesh manufacturer (s) and a product distributor (s), and purchase of nickel wire from the Partnership and carry out trading activities in relation to the manufactured product and (b) to pay management fees to GTX for carrying out management services to the Partnership and (ii) to repay Alkemya's outstanding debt. Alkemya may also provide working capital to other entities so these undertake commercial activities relevant to the above operations⁶ (the **Use of Proceeds**).

For the purpose of this Memorandum, we have further relied on the following assumptions:

- the LP Interests/Tokens will not be listed and traded in a regulated market or a multilateral trading facility;
- the LP Interests/Tokens will be listed and traded on the Bitfinex platform in exchange for Tether (USDT);
- the LP Interests/Tokens will not be cleared through a securities clearing house;
- the LP Interests will be assigned an ISIN;
- the LP Interests/Tokens will not be rated;
- the LP Interests/Tokens will not be secured nor pledged;
- each of the LP Interest/Tokens will be *pari passu* among themselves. No subordination rules or first loss tranches are foreseen;
- No Luxembourg entity within the structure will be or needs to be consolidated for financial accounting purposes. If they do, it is not expected that their consolidated turnover would be above EUR 750 million (generally, based on "ultimate parent entity" consolidated financial statements during at least two of the four last preceding fiscal years)⁷;
- the capital raised from the LP Interests/Tokens will not be deployed in accordance with an investment strategy but only used in accordance with the Use of Proceeds;
- the activities of the Partnership will be limited to passively owning the Assets and while other entities, including GTX operate a business to develop applications for nickel wire and other industrial metals and to manufacture and distribute nickel wire mesh and other industrial metal products;
- the Payment in Kind will be made at fair market value which will be determined by the report of a qualified independent expert;
- the Assets are located in Lugano, Switzerland;
- A carried interest vehicle (the **Carried Interest Vehicle**) located in principle in Malta, Monaco or Singapore will receive a carried interest in the Partnership in return for providing working capital;
- Besides working with Bitfinex Securities, Alkemya will implement a payment solution with a licensed payment service provider or banking institution with respect to the sale and transfer of the Tokens in cryptocurrency;
- the Partnership intends to issue LP Interests/Tokens with a fair market value up to USD 1,400,000,000;
- the LP Interest/Tokens will not be offered to retail investors in the European Economic Area and will not be subject to EU Regulation 2017/1129 on prospectuses (the **Prospectus Regulation**);

⁴ Which will be financed by the Partnership via equity.

⁵ Meaning infrastructure rather than interest bearing financing activity.

⁶ It is also understood that GTX and such entities would undertake such commercial activities on their own behalf and not on behalf of the Partnership.

⁷ Relevant for "Pillar II" global minimum taxation rules purpose as implemented in Luxembourg.

- the Investors will not be established in an EU blacklisted jurisdiction or territory⁸;
- all related parties' transactions would take place at arm's length;
- all entities/persons involved in the structure will be exclusively resident for tax purposes in their respective jurisdiction of incorporation/domicile and will not avail of any permanent establishment (**PE**) or other taxable presence abroad;
- any interest accrued/paid by the Partnership will not be deductible in the hands of the non-resident limited partners (or its indirect investors), and hence shall not generate a double deduction outcome;
- the fair market value of the Assets upon transfer by Alkemya to the Partnership will be equal to their book value and therefore no latent gain will arise;
- the transactions are motivated by valid economic reasons beyond mere tax considerations.

This Memorandum is limited to Luxembourg law considerations only.

This Memorandum does not advise on legal consideration with respect to Investors located outside of the European Union, including but not limited to their eligibility to invest in the LP Interests/Tokens.

If any of the above facts and assumptions is inaccurate or incorrect, please inform us as this may have an impact on our analysis.

We outline certain of the above assumptions are and should be (as appropriate) verified annually in the context of the Investors onboarding and relevant entities tax compliance. We would be pleased to assist if required.

DISCLAIMER

For the purpose of rendering the analysis, we have solely relied on the information provided to us as reflected in the section II "*Facts and Assumptions*".

III. LEGAL MEMORANDUM

1. Applicability of the Prospectus Regulation

We understand that the Partnership intends to issue the LP Interests/Tokens which will be made available for listing on Bitfinex. In connection with this, Bitfinex and a blockchain technology provider intend to implement a distribution and trading infrastructure targeting primarily professional and institutional investors—and potentially retail investors outside of the European Union—under the terms of the El Salvador law governed Offering Memorandum.

The offering and admission to trading of the LP Interests/Tokens must be assessed in light of Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**), which governs the requirement to publish a prospectus when securities are offered to the public or admitted to trading on a regulated market situated or operating within a Member State of the EU.

Under the Prospectus Regulation, the publication of an approved prospectus is required unless an exemption applies. Exemptions from the obligation to publish a prospectus may apply if:

- a. the offer is addressed solely to qualified investors (as defined in the Prospectus Regulation);
- b. the offer is made to fewer than 150 natural or legal persons per Member State, other than qualified investors;
- c. the minimum investment amount per investor is at least EUR 100,000; or

⁸ The latest version of the list, confirmed by the Council on 18 February 2025, includes American Samoa, Anguilla, Fiji, Guam, Palau, Panama, Russia, Samoa, Trinidad and Tobago, US Virgin Islands, and Vanuatu.

- d. the total consideration of the offer in the EU does not exceed EUR 8 million, calculated over a period of 12 months (subject to local variations across Member States).

We understand that the LP Interests/Tokens will not be offered to retail investors within the European Union or the wider European Economic Area and will not be admitted to trading on an EU-regulated market. As such, the offering structure falls outside the scope of the Prospectus Regulation, provided that:

- the offering in the EU (if any) is limited to qualified investors only (see point a) above); and
- there is no admission to trading on a regulated market located in an EU Member State.

Accordingly, no prospectus approved by an EU competent authority is required under the Prospectus Regulation for the contemplated offering structure.

That said, offers made outside the EU may still trigger regulatory obligations in the relevant local jurisdictions. We recommend seeking local legal advice in each such jurisdiction to ensure compliance with applicable securities laws and offering rules.

2. AIF Test

The Partnership will not be established as an alternative investment fund (**AIF**). However, the qualification as an AIF does not depend on the intention or legal form adopted, but rather on the activities carried out and the structure implemented. Under the AIFM Law, an entity may be deemed an AIF if it raises capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors. It is therefore the responsibility of the Partnership to conduct a proper assessment of its structure and offering to determine whether it falls within the scope of the AIFM Law. This analysis should be undertaken carefully at the outset and revisited in light of any changes to the Partnership's fundraising, investment model, or investor base. The analysis set out below is conducted on the basis of the facts and assumptions provided to us.

2.1. Definition of an AIF

Pursuant to article 1 (39) of AIFM Law, an AIF is an entity that cumulatively meets the following four (4) criteria:

- It is a collective investment undertaking, including investment compartments thereof;
- It raises capital from a number of investors;
- It invests in line with a defined investment policy for the benefit of those investors; and
- It is not subject to authorisation pursuant to Article 5 of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (i.e. it is not an undertakings for collective investment in transferable securities, the so-called **UCITS**).

If any of these criteria are not satisfied, the entity does not qualify as an AIF and is not subject to the AIFM Law and the AIFMD regulatory framework (the **AIF Test**).

2.2. Partnership's self-assessment in light of the AIFM Law

The CSSF's FAQ on the Luxembourg Law of 12 July 2013 on alternative investment fund managers published on 18 November 2024 - Version 23 (the **CSSF FAQ - AIFM Law**)⁹ states in point 1.A) that it is recommended that each collective investment vehicle performs a self-assessment to determine whether or not it falls within the definition of an AIF within the meaning of the AIFM Law. It further provides that it is the responsibility of the management body of the collective investment scheme to carry out a self-assessment in order to determine whether it is likely to fall within the qualification of an AIF as defined by the AIFM Law.

⁹ Available here: <https://www.cssf.lu/wp-content/uploads/FAQ-AIFMD.pdf>

In accordance with the above, the GP shall conduct the AIF Test (i) upon any material change to the Partnership's activities or structure, (ii) upon any relevant change in applicable regulations, and (iii) at least annually, to ensure continued compliance with its regulatory status under Luxembourg law.

2.3. The AIF assessment

The AIF Test will consist of examining the four (4) criteria listed above under 2.1. (*Definition of an AIF*).

i. The concept of an undertaking for collective investment

The concept of undertaking for collective investment is defined by ESMA's Guidelines. An undertaking for collective investment is therefore any entity that meets the following three (3) conditions, namely an entity:

- that does not pursue commercial or industrial activities (the business of buying/selling, trading goods or commodities or providing non-financial services, or the business of industrial production of goods or construction of real estate);
- which pools capital raised from investors for the purpose of making an investment with a view to generating a collective return; and
- whose shareholders, as a collective group, do not exercise discretionary power over day-to-day operations.¹⁰

For the sake of clarity, being a regulated entity is not a prerequisite for qualifying as an AIF. Thus, AIFs are defined as undertakings for collective investment governed by Luxembourg law and subject to prudential supervision by the CSSF, such as Part II UCIs under the law of 17 December 2010, venture capital investment companies (SICARs), and specialized investment funds (SIFs). However, AIFs may also include companies governed by Luxembourg law that are not subject to CSSF supervision (subject to the exemptions and derogations listed below), including financial holding companies benefiting from the participation exemption tax regime (SOPARFI), provided they meet the criteria set out in Article 1(39) of the AIFM Law.

This approach is confirmed by the CSSF FAQ - AIFM Law under point 1.B).

It should be noted that UCITS are excluded from the scope of the AIFM Law (article 1 (39) cited above).

In view of the material elements of the AIF Test, we believe that the second criteria for classifying the Partnership as an AIF has not been met. In view of the three (3) conditions set out in the ESMA Guidelines 2013/611 (the **ESMA Guidelines**),¹¹ the Partnership:

- may not satisfy the second condition insofar as, even if the Partnership attracts capital with a view to generating a collective return, the capital raised is not deployed according to a pre-determined investment strategy but rather linked to the Use of Proceeds as described above.

ii. The concept of raising capital

The second qualification element of the AIF Test relates to the concept of capital raising.

As the concept of capital raising is neither defined by the AIFM Law nor by the CSSF FAQ - AIFM Law, it is appropriate to examine the definition given by ESMA's Guidelines. Capital raising is understood as the business activity in which an entity implements direct or indirect measures with a view to obtaining a transfer of capital or

¹⁰ Definition in ESMA Guidelines: "A form of direct and on-going power of decision – whether exercised or not – over operational matters relating to the daily management of the undertakings' assets and which extends substantially further than the ordinary exercise of decision or control through voting at shareholder meetings on matters such as mergers or liquidation, the election of shareholder representatives, the appointment of directors or auditors or the approval of annual accounts."

¹¹ ESMA Guidelines, available here: https://www.esma.europa.eu/sites/default/files/library/2015/11/2013-611_guidelines_on_key_concepts_of_the_aifmd_-_en.pdf

securing a commitment from one or more investors for its benefit, and with a view to investing the funds in accordance with a defined investment policy.

In view of the particularities of the Project, we believe that the second criterion for classifying the Partnership as an AIF has been met.

iii. A number of investors

The legal definition of an AIF requires that there be a plurality of investors following the raising of funds within the investment or holding structure. This particularly broad concept encompasses both natural persons and legal entities governed by foreign or Luxembourg law and also includes feeder structures or structures designed to bring together a plurality of investors within a single legal entity, which would be the sole shareholder of the investment or holding structure (look-through system).

This interpretation is set out in ESMA Guidelines.

In view of the above, it should be noted that Alkemya intends to offer the LP Interests / Tokens to professional and institutional investors (as well as retail investors outside the European Union, where possible). Hence, this criterion has been met.

iv. Definition of a predefined investment policy

The final point relating to the AIF Test relates to the examination of the existence of a predefined investment policy. In the absence of legal provisions stemming from the AIFM Law, and in the absence of clarification from the Guidelines, it is advisable to take into consideration point IX of ESMA's Guidelines.

These provide information on the various factors which, alone or in combination, confirm the existence of a defined investment policy:

- (i) “the investment policy is determined and fixed, at the latest by the time that investors’ commitments to the undertaking become binding on them;*
- (ii) the investment policy is set out in a document which becomes part of or is referenced in the rules or instruments of incorporation of the undertaking;*
- (iii) the undertaking or the legal person managing the undertaking has an obligation (however arising) to investors, which is legally enforceable by them, to follow the investment policy, including all changes to it;*
- (iv) the investment policy specifies investment guidelines, with reference to criteria including any or all of the following:*
 - i. to invest in certain categories of assets, or conform to restrictions on asset allocation;*
 - ii. to pursue certain strategies;*
 - iii. to invest in particular geographical regions;*
 - iv. to conform to restrictions on leverage;*
 - v. to conform to minimum holding periods; or*
 - vi. to conform to other restrictions designed to provide risk diversification.”*

To the extent that the Partnership does not engage in discretionary investment management but rather Alkemya sells LP Interests/Tokens to finance the Use of Proceeds as described above, and given that any further allocation of funds is driven by the specific characteristics and financing needs of the underlying business, such activities would not constitute an investment policy aimed at generating returns for investors in accordance with predefined investment guidelines.

As a result, and subject to the final description of the Use of Proceeds, the Partnership may not meet the criteria for having a predefined investment policy as outlined in ESMA's Guidelines. Its financial activities are business transaction-driven rather than investment policy-driven, further reinforcing the conclusion that it does not fall within the scope of an AIF under the AIFM Law.

Ultimately, it is noted that the draft offering documentation contemplates that the Partnership may have the capacity to reinvest proceeds rather than distribute them to investors. While the mere existence of a reinvestment mechanism does not automatically imply the existence of a predefined investment policy, it may significantly weaken the conclusion that the Partnership does not qualify as an AIF. In particular, where reinvestment decisions are made systematically and not purely on an ad hoc or project-specific basis, this could support the view that the Partnership pursues an investment strategy for the benefit of its investors, thereby aligning with the characteristics of an AIF. We therefore recommend that any intended reinvestment activity be carefully reviewed and discussed in advance, as its implementation—depending on structure and governance—could bring the Partnership within scope of the AIFM Law.

2.4. AIF Test Conclusion

Subject to the final structure and use of proceeds - particularly with respect to any contemplated reinvestment mechanism - and based on the analysis set out above, the Partnership would not qualify as an AIF, as it does not appear to meet criterion (i) (being an undertaking for collective investment) and criterion (iv) (existence of a predefined investment policy) of the AIF Test.

IV. LUXEMBOURG TAX COMMENTS

1. At the level of the Partnership

1.1. The Partnership will be considered as tax transparent from a Luxembourg perspective and will not be subject to corporate income tax (CIT) (subject to reverse hybrid mismatch rules (RHMR)) nor to net wealth tax (NWT). The Partnership will not be subject to municipal business tax (MBT), as long as (i) its general partner holds less than 5% of the total LP Interests (so called tainted commercial activity) and (ii) does not conduct a commercial activity *per se* in Luxembourg. Generally speaking, a commercial activity *per se* includes any industrial or mining activity but excludes any agricultural or forestry activity (as well as any liberal profession) and is defined as any (i) independent activity for the purpose of making a profit (ii) carried on a permanent basis and (iii) constitutive of a participation to the general economy (which includes the production and distribution of economic goods and the provision of services of all kinds, including intellectual services). Participation to the general economy requires that the activity is recognizable to third parties as such. The mere passive holding of assets is not considered as a commercial activity *per se*.

➤ **In the case at hand, it is expected that, having a separate GP, the Partnership won't be subject to MBT because of the GP holding 5% or more of the legal and economic interests in the Partnership. If Alkemya, holding 5% and more of the interests in the Partnership, functioned (also) as the general partner, the Partnership would become subject to MBT (at a 6.75% rate in Luxembourg City). Also, as long as the activity of the partnership is limited to passively holding the Assets no commercial activity *per se* for MBT purposes and related tax liability would arise.**

1.2. The Partnership should not be impacted by the reverse hybrid rules under Council Directive (EU) 2016/1164 as amended by Council Directive (EU) 2017/952, and any local laws implementing the same (ATAD II), notably considering more than 99.99% of its LP Interest will be held by Luxembourg opaque entities (i.e., Alkemya and the GP). This should however be monitored if the LP Interest is transferred in the future by Alkemya to another entity or to Investors (via Tokens listed on the Bitfinex),

as it may have an impact. This would be the case if 50% or more of the new limited partners, being “associated enterprises”¹², consider the Partnership as tax opaque and for that reason would not be taxable on their stake in the net income derived by the Partnership. Investors acquiring a stake via Tokens listed on the Bitfinex are not likely going to be “associated enterprises”, so that in the absence of a party acquiring 50% or more of the Partnership the conditions for application of the RHMR are not likely to be met. In this context the inclusion in the legal documentation or constitutive documents of (i) undertakings by limited partners not to treat the Partnership as tax opaque or structure their investment differently, or (ii) alternatively tax indemnity obligations for limited partners causing tax leakage under the RHMR; would remedy or compensate for any tax leakage at the level of the Partnership.

- 1.3. Distributions by the Partnership to its partners will not be subject to withholding tax (**WHT**).
- 1.4. The Partnership would generally not have access to double tax agreements nor to the EU tax Directives.
- 1.5. Considering that the Partnership’s activity will be limited to the mere passive holding of the Assets (e.g., without management and interest-bearing financing activity), it should not qualify as a taxable person for VAT in Luxembourg (and thus, should not be liable to register for VAT in Luxembourg). Management services supplied to the Partnership by the GP should be subject to VAT (as such services would not benefit from any VAT exemption), being a final cost for the Partnership. Services supplied to the Partnership by GTX or any other foreign entity are not subject to Luxembourg VAT (considering the Partnership is not a VAT-able person and thus BtoC VAT localisation rules apply).

Depending on the total amounts of management services supplied by the GP, the VAT leakage may be significant (being a final cost for the Partnership).

2. At the level of Alkemya

- 2.1. Alkemya is subject to CIT, MBT and employment fund’s contribution (together **Corporate Taxes**) at an aggregate rate of 23.87% in Luxembourg City for fiscal year 2025 on its worldwide profit.
 - 2.1.1. Alkemya is generally entitled to DTT benefits and/or the benefits of EU tax Directives (including without limitation the EU Parent-Subsidiary Directive and EU Interest Royalty Directive) under conditions. Nevertheless, this should not be relevant considering the envisaged transaction.
 - 2.1.2. The contribution of the Assets to the Partnership in exchange for LP Interests, should not trigger any Luxembourg taxation as no latent gain would be recognised at the moment of the contribution (as per the above relevant assumption).
 - 2.1.3. Any forex gain/loss realized by Alkemya would be taxable/deductible.
 - 2.1.4. Fees/proceeds received by Alkemya (if any - from the commercialisation of the LP Interests), would be subject to Corporate Taxes.
 - 2.1.5. Capital gains realised by Alkemya on its LP Interests would be subject to Corporate Taxes. Considering the initial loss of circa EUR 600m¹³, Alkemya will be partially protected as long as

¹² “Associated enterprises” are: (i) an entity in which the taxpayer holds, directly or indirectly, a participation in terms of voting rights or capital ownership of 50% or more, or is entitled to receive 50% or more of the profits of that entity; (ii) an individual or entity that holds, directly or indirectly, a participation in terms of voting rights or capital ownership in a taxpayer of 50% or more, or is entitled to receive 50% or more of the profits of the taxpayer; (iii) an entity that is part of the same consolidated group for financial accounting purposes as the taxpayer; (iv) an enterprise in which the taxpayer has a significant influence in the management, or an enterprise that has a significant influence in the management of the taxpayer.

¹³ This is an estimate based on the value of the Assets (i.e., EUR 1,400m) and the provisional sale price (i.e., EUR 800m) of the LP Interests. However, it should be noted that the estimated loss of circa EUR 600m could be higher or lower as the value of the LP Interests/Tokens could fluctuate – this should be monitored.

the LP Interests are transferred/commercialised before having a gain (above EUR 600m, which would be covered by the initial loss). The LP Interest could be transferred to a company in Malta or Jersey in any event prior to regaining value above the current book value – this should be carefully monitored and reviewed.

- 2.1.6. Similarly, any carried interest paid by the Partnership to Alkemya would also be subject to Corporate Taxes. However, we understand that the carried interest will be paid by the Partnership directly to the Carried Interest Vehicle.
- 2.2. Alkemya is subject to annual NWT levied at 0.5% on net wealth up to EUR 500 million and 0.05% on net wealth in excess of EUR 500 million, with a minimum NWT being applicable. This is based on the company's net asset value as at 1 January.
- 2.3. Any gain upon potential increase of value of the Assets (whose value is captured by LP Interest/Tokens) would be subject to NWT (including unrealized gains).
- 2.4. Dividend distributions made by Alkemya should be subject to a 15% WHT. However, subject to conditions of the participation exemption and any relevant DTT, such WHT may be exempt or reduced (to be checked on a case by case basis in relation to each UBO). As an alternative to repatriate profits, profits distributed through alphabet shares repurchased and immediately cancelled would not be subject to WHT (subject to conditions). This would be subject notably to GAAR restrictions as we understand that currently the articles of association of Alkemya do not provide for alphabet shares.
- 2.5. Liquidation proceeds distributions are free of WHT and the payment of at-arm's-length interest and principal on debt is generally free of WHT as well.
- 2.6. Any intragroup transactions involving Alkemya will need to take place under at arm's length terms and conditions and documented by a transfer pricing analysis. Alkemya should be treated as a VAT taxable person in Luxembourg.
- 2.7. Services (if any) supplied to e.g. the Partnership should be subject to Luxembourg VAT at the standard rate of 17%. In such case, Alkemya would have a Luxembourg VAT economic activity and therefore Alkemya should have an input VAT deduction right.
- 2.8. Luxembourg resident companies or Luxembourg branches of foreign companies, which carry out financial, industrial or commercial activities (including holding activities) in Luxembourg are registered with the Luxembourg Chamber of Commerce and are subject to an annual fee.
- 2.9. The annual contribution to the Luxembourg Chamber of Commerce is levied on the entity's taxable profits (before deduction of any tax losses) at a rate ranging between 0.2% and 0.025%. The minimum annual contribution amounts to EUR 70 for partnerships and private limited liability companies and to EUR 140 for public limited companies or partnerships limited by shares.

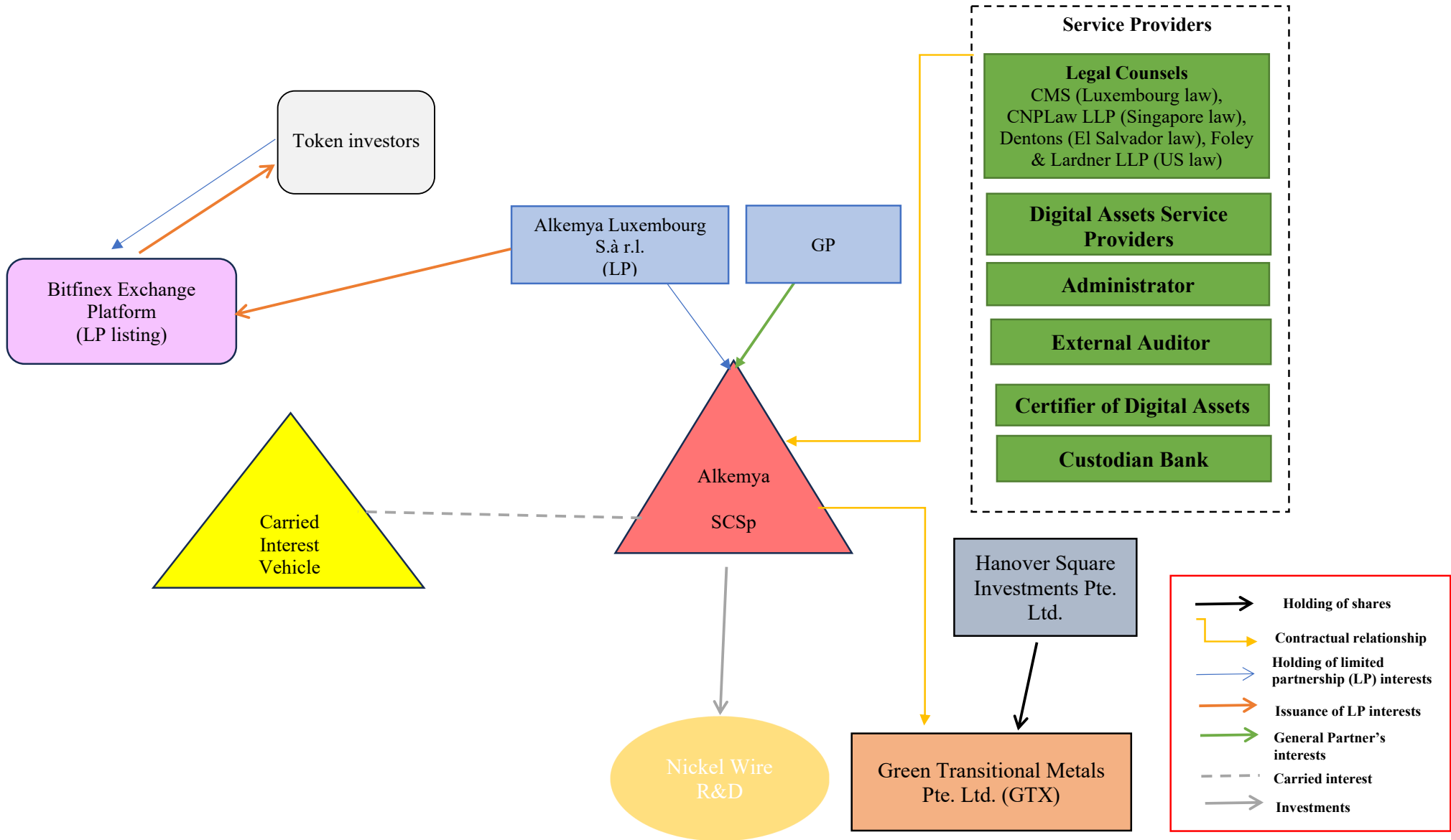
3. At the level of the GP

- 3.1. The GP will be subject to Corporate Taxes and NWT (similar to Alkemya).
- 3.2. Dividend distributions by the GP are generally subject to 15% WHT or exempt subject to conditions. A WHT exemption or reduction may apply under a DTT or if the participation exemption conditions are met.
- 3.3. It is recommended to perform a transfer pricing analysis that includes a review of the functions and risks undertaken by the GP (and other parties involved) for the purpose of determining an at-arm's length remuneration. A "cost plus 5%" remuneration would be sufficient as long as the functions are low value

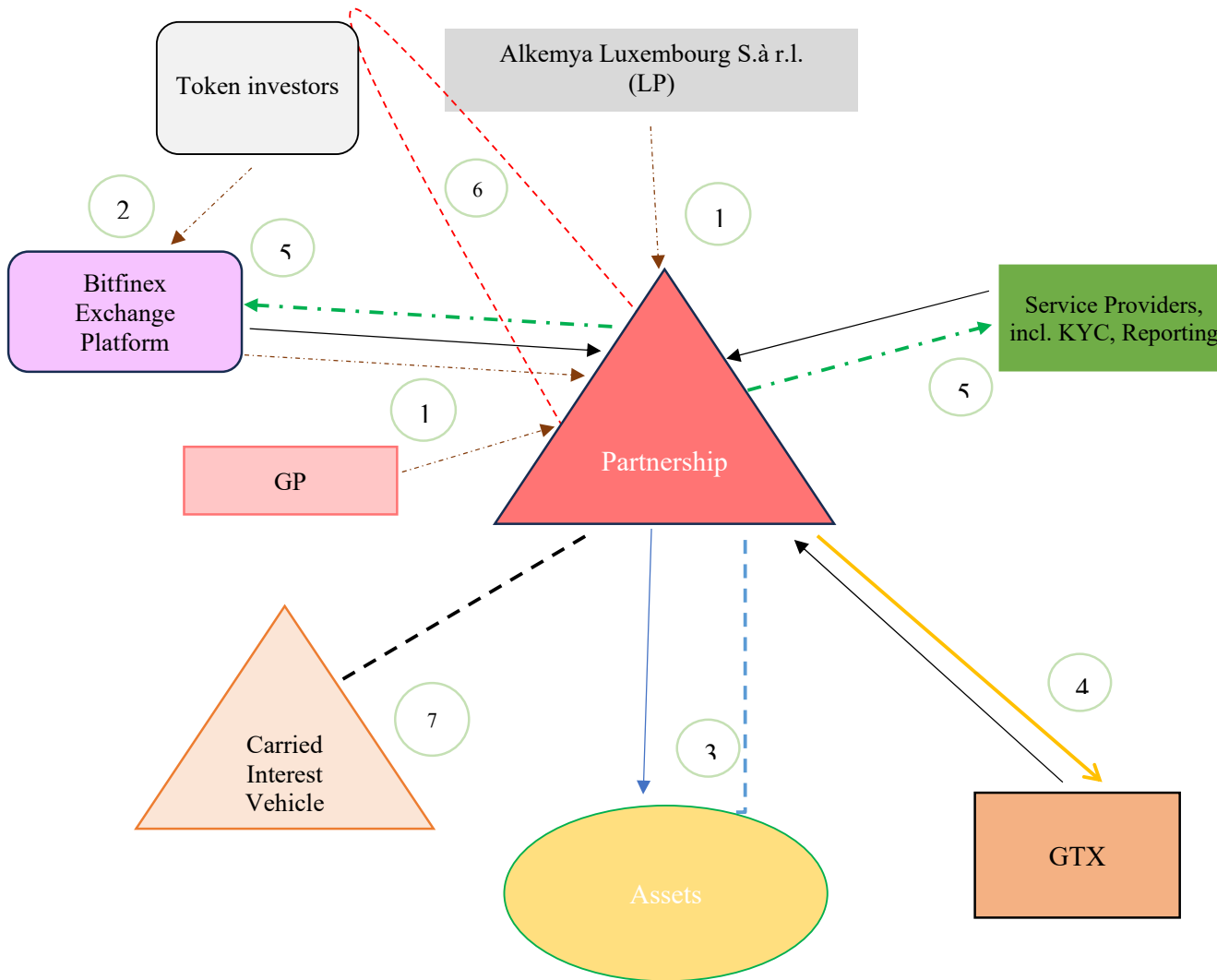
added, which would need to be subject to the mentioned transfer pricing analysis.

- 3.4. The GP should be treated as a VAT taxable person in Luxembourg.
- 3.5. Limited management services supplied to the Partnership should be subject to Luxembourg VAT at the standard rate of 17%. Considering this Luxembourg VAT economic activity, the GP should have an input VAT deduction right.

Appendix I: LEGAL STRUCTURE CHART



Appendix I: FUNDS FLOW



- 1 Subscription by the GP for GP Interest. Subscription of Alkemya Luxembourg S.à r.l. as LP, for the LP interests. Payment of LP Interest made by contributing the nickel wire portfolio.
- 2 Offering of the tokenised LP interests to token investors by Alkemya Luxembourg S.à r.l. through the Bitfinex Exchange Platform;
- 3 The proceeds from the token investors will be used by Alkemya to provide working capital to the Partnership in line with the Use of Proceeds;
- 4 Injection of capital and payment of management fees to GTX through an intermediate holding company in Luxembourg;
- 5 Payment of expenses and fees to the Service Providers and Bitfinex Exchange Platform;
- 6 Profit distribution to the limited partners and token investors *pro rata* to their investments.
- 7 Payment of carried interest to the carried interest vehicle.

