



Final Report - Certification Issuance Proposal submitted by Tokenización SAFE 1, S.A.S de C.V. (THKN1)

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Introduction

As of June 2021, El Salvador became the first country in the world to adopt Bitcoin as legal tender and since that month and year there have been events of great relevance in El Salvador in terms of digital assets. In accordance with the adoption of Bitcoin, on January 11, 2023, the Legislative Assembly of El Salvador through Legislative Decree No. 643 creates the Law on the Issuance of Digital Assets; that aims to establish the legal framework that provides legal certainty for the transfer operations to any title of digital assets from issuances under the modality of public and private offerings carried out in the territory of El Salvador; as well as to regulate the requirements and obligations of issuers, digital asset service providers and other participants operating in the process of issuing digital assets.

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Article 26 of the Law on the Issuance of Digital Assets establishes that: "Any public offering of digital assets must comply with its authorization, for which, as a preliminary stage, the certifying entities must carry out a comprehensive analysis of the requirements of said public offering, contemplated in the Law, regulations, instructions, technical standards, guides and any standards issued by the National Digital Assets Commission..."; It is in this context that Tokenización SAFE 1, S.A.S. de C.V., taking advantage of the opportunities offered by El Salvador to local and foreign investors, promotes the issuance of Income Tokens associated with the issuance called THKN1.

In our capacity as Certifiers, we have carried out a thorough investigation on the IT platforms and management and control mechanisms that MIO3, S.A de C.V. offers to its clients as a provider of digital assets and our report is based on the results of said review and on the financial, legal, and administrative aspects on management and custody that are detailed in the Relevant Information Document and its annexes that we have received from Tokenización SAFE 1, S.A.S. de C.V.

This report contains seven sections: i) Executive summary and synthesis of the characteristics of the issuance, ii) Analysis of the financial information of the proposed issuance of Tokenización SAFE 1, S.A.S. de C.V., iii) Relevant data on the economic situation of El Salvador, iv) Analysis of the technological platforms to be used by MIO3, S.A. de C.V., v) Legal aspects of the issuance of Income Tokens, vi) Risks inherent in the investment in Income Tokens, vii) Conclusions and recommendations. We are sure that reading this document will be useful for investors' decision-making.

This document is provided for informational and analytical purposes only and does not constitute, nor should it be construed as, an offer, invitation, solicitation or recommendation to invest in and/or acquire TKHN1 tokens. The information contained herein is not promotional or speculative in nature and should not be used as a basis for investment decisions. Any reference to valuations, cash flows, exit scenarios, multiples or potential economic results is for informational purposes and in accordance with our role as Certifiers of the issuance of the digital asset in question.

i) Executive summary and summary of the issuance

The THKN1 issuance is an initiative of Tokenización SAFE 1, S.A.S. de C.V., through which it presents an opportunity to invest in a company linked to the digital asset ecosystem whose trajectory dates back to December 2023 and has all the technological infrastructure duly authorized by the corresponding supervisory body.

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The issuance uses the figure of the SAFE (Simple Agreement for Future Equity) which in essence is an investment contract to carry out capital raising in early stages, created as an alternative to convertible debt. There are two ways to value the company, one way is to value immediately and the other way is when an investor provides money today and in return, gets the right, according to the occurrence of an event, to receive proceeds or shares in the future, usually when a future round of funding or the sale of the company occurs.

The Issuance is part of a contingent economic rights tokenization structure, in which the THKN1 Income Tokens represent the economic rights derived from the SAFE subscribed by the Issuer with the Company, for a maximum authorized amount of up to ONE MILLION TWO HUNDRED THOUSAND USDT (1,200,000.00 USDT), digital asset used as the subscription and settlement unit for this Issuance.

Income Tokens grant their holders economic rights conditional on the occurrence of an Equity Financing, a Liquidity Event or a Dissolution Event, as established in the SAFE. In such cases, the revenue received by the Issuer will be distributed proportionally among the token holders, according to their participation.

The Issuance will be carried out through a public offering, through the MIO3 digital platform, in its capacity as a Digital Asset Service Provider (PSAD) authorized by the National Digital Assets Commission (CNAD). The public offering of Income Tokens will be made in a single tranche and will have a maximum term of up to six (6) months, counted from the date of commencement of the offering, or until the maximum total authorized amount of the Issuance has been reached, whichever occurs first.

Objective of the Certification

The main objective of this certification report is to provide a comprehensive and independent assessment of the legal, financial and technological platform aspects used for the issuance and management of the Income Tokens associated with the THKN1 issuance. It seeks to verify the regulatory compliance, operational efficiency and cybersecurity of the technological platform, as well as to identify the risks associated with the issuance to protect and safeguard the interests of investors.

Scope and limitations

The certification encompassed the review of the Digital Asset Issuance Act and its respective regulations, analysis of the technological architecture, evaluation of security mechanisms (including authentication, access control, and cyber protection), and the review of KYC/AML processes. The platform's compliance with El Salvador's Digital Asset Issuance Law and other relevant regulations was also analyzed.

The certification was based on the documentation and information provided by the issuer - Tokenización SAFE 1, S.A.S. de C.V. - and by the digital asset service provider - MIO3, S.A de C.V.

Main findings and conclusions

6 The technological platform of MIO3, S.A. de C.V. used for the issuance of Income Tokens, is built on a robust technological foundation (AWS, microservices, API-first) and employs a solid security architecture, aligned with standards such as ISO 27001.

Based on our review, regulatory compliance is observed, operating under El Salvador's Digital Asset Issuance Law and maintaining effective KYC/AML processes through integrations with tools such as Comply Advantage and Chainalysis

Conclusion: The issuance proposal submitted by Tokenización SAFE 1, S.A.S. de C.V. to tokenize a SAFE subscribed with MIO3 Holdings Limited and issue digital assets for up to 1,200,000.00 USDT; it complies with the aspects required by the Law on the Issuance of Digital Assets and other regulatory aspects; likewise, the technological platform of PSAD – MIO3, S.A. de C.V. is a platform with cybersecurity guarantees for the handling, management and custody of tokens.

Notwithstanding the foregoing, potential investors are cautioned that as a new instrument whose returns depend exclusively on the events foreseen in the SAFE instrument, and not on a previous history of performance or periodic flows, the investment carries high and moderate inherent risks that must be assessed in accordance with section vi) Risks Inherent to the investment described in this report.

Summary of recommendations

- Implement a risk management system that addresses SAFE-specific risks, beyond general platform risks.
- Conduct penetration testing and external security audits on a regular basis, specifically for smart contracts and token-related infrastructure.
- Keeping infrastructure and applications up to date with the latest security patches and continuously monitoring cybersecurity best practices.
- Improve and maintain complete and up-to-date documentation of the architecture, smart contracts, and operational processes specific to the THKN1 issuance.
- Consider obtaining recognized security certifications that are directly applicable to the issuance of digital assets.

Synthesis of the Issue

Table No.1

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Company Name of the Issuer	Tokenization SAFE 1, Sociedad por Acciones Simplificada , which can be abbreviated Tokenizac ió n SAFE 1, S.A.S. de C.V.
Address of the Issuer	San Salvador District and Capital of the Republic, municipality of San Salvador Centro, department of San Salvador, El Salvador
Date of Incorporation of the Issuer	October 8, 2025.
Date of Registration in the Registry of the Issuer's jurisdiction	October 8, 2025
Economic Turnaround of the Issuer	The exclusive purpose of the Company will be the execution of the Simple Agreement for Future Equity ("SAFE") and the issuance of digital assets representing the economic rights derived therefrom, in accordance with the terms established in said agreement, and the provisions of the Digital Asset Issuance Law and its respective regulations.
Type of Digital Asset Public Offering	Public Offering of Digital Income Assets
Maximum Amount of the Issuance	The Issuance of Income Tokens (the "Issuance") will have a maximum total authorized amount of up to ONE MILLION TWO HUNDRED THOUSAND USDT (1,200,000 USDT), digital asset used as the subscription and settlement unit for this Issuance. For accounting purposes, the investor must make the conversion to define its equivalence in United States dollars to the conversion factor in force at the time of making the purchase of the tokens or at the time of receiving the returns generated by them.
Currency of Negotiation of the Issuance	This Issuance is denominated in USDT, a digital asset authorized for trading according to the official list of stablecoins published by the National Digital Assets Commission (CNAD). USDT will be the sole reference unit for purposes of subscription, calculation of the value of Income Tokens, determination of economic rights, and settlement of obligations of the Issuer. However, investors may make their contributions in United States dollars (USD) through the methods enabled by the Issuer, such as bank transfer, credit card or other compatible mechanisms. The amount received in USD will be converted to USDT using a fixed conversion rate, determined which will be published prior to the start of the offer term on the official website of the Issuance on the MIO3 platform.

	<p>This conversion will be unique, irrevocable and final, and all risks or variations in value arising from the fluctuation of the exchange rate between USD and USDT will be assumed exclusively by the investor.</p> <p>In all cases, the payment obligations arising from the Income Tokens will be understood to be fulfilled with the settlement in USDT to the wallet address provided by the investor at the time of registration.</p>
Type of Digital Asset	Digital Income Assets, referred to as "Income Tokens", which represent economic rights derived from an underlying contract, which confer certain voting rights on corporate decisions of the Issuer.
Underlying Asset	<p>The economic rights represented by the Entry Tokens derive from a SAFE (Simple Agreement for Future Equity) agreement entered into between the Issuer and MIO3 Holdings Limited (the "Company"), a company incorporated under the laws of the Cayman Islands.</p> <p>By virtue of this agreement, the Issuer acquires the right to receive certain income or economic benefits, conditioned on the occurrence of contractual events defined in the SAFE, including:</p> <ul style="list-style-type: none"> (a) equity financing, b) a liquidity event, or c) a dissolution event. <p>The underlying SAFE contract is denominated in United States of America (USD) dollars. Income Tokens do not confer on their holders direct ownership rights over the underlying asset, nor over the shares that the Issuer may eventually receive as a result of SAFE conversion events. Notwithstanding the foregoing, the holders of Entry Tokens may exercise voting rights on corporate matters of the Issuer exclusively with respect to the matters expressly provided for in the Relevant Information Document, under the terms and conditions established.</p> <p>These tokens do not generate interest, nor do they generate periodic payments. Tokens generate the right to receive returns whose economic value depends exclusively on the final result of the SAFE instrument or its conversion events.</p>
Description of the Public Offering	Public Offering of Income Tokens, which confer on their holders, in their capacity as investors, conditional economic rights, representing future benefits linked to the Simple Agreement for Future Equity ("SAFE") entered into by the Issuer, in accordance with the terms and conditions established in the Relevant Information Document.
Destination of the Funds	<p>The net funds obtained by the Issuer as a result of the Issuance of Income Tokens (the "Issuance Funds") will be applied in accordance with the following application scheme:</p> <ol style="list-style-type: none"> 1. Up to a maximum of TWO HUNDRED THOUSAND USDT (200,000.00 USDT) of the amount effectively collected may be used to cover operating expenses "Operating Expenses", which will include, but are not limited to: legal fees, technological services, regulatory compliance (compliance), external audit services, and

	<p>administrative expenses directly related to the preparation, execution and maintenance of this Issuance.</p> <p>2. The remaining balance of the Funds of the Issue, shall be used exclusively for the subscription and payment of the Simple Agreement for Future Equity ("SAFE") entered into by the Issuer with the Company, a company organized and existing under the laws of the Cayman Islands, in accordance with applicable contractual terms</p> <p>The Simple Agreement for Future Equity ("SAFE") constitutes the direct underlying asset of this Issuance, and its execution represents the primary purpose of the use of the Funds of the Issuance.</p> <p>The Issuer may temporarily hold the Operating Expenses of the Issuance in digital wallets held by the authorized Digital Asset Service Provider (DSP), designated by the Issuer, the MIO3 platform, or in reserve accounts in a financial institution regulated by the Superintendence of the Financial System of El Salvador.</p>
<p>Term of Subscription of the Issue</p>	<p>The public offering of Income Tokens will be made in a single tranche and will have a maximum term of up to six (6) months, counted from the date of commencement of the offering, or until the maximum total authorized amount of the Issuance has been reached, whichever occurs first.</p> <p>Once this time or amount limit has been reached, the placement will be considered closed, and no new subscriptions will be accepted.</p>
<p>Validity of Deposit Tokens</p>	<p>The Income Tokens will remain in effect until the effective termination of the Simple Agreement for Future Equity ("SAFE") constituting their underlying asset, and until the full settlement or distribution of the economic rights derived therefrom in favor of the token holders.</p> <p>The actual issuance of the Tokens may take place at any time within the public offering period, once the Minimum Issuance Amount has been reached, and will be considered completed when such condition and the payments for the subscription have been verified. Under the provisions of SAFE, termination will occur automatically once any of the following events occur:</p> <p>(i) the issuance of shares or other equity instruments to the Issuer, as a result of Equity Financing;</p> <p>(ii) the payment or irrevocable reservation of payment of the amounts corresponding to the Issuer arising from a Liquidity Event; or</p> <p>(iii) the liquidation of the Issuer in the context of a Dissolution Event, in accordance with the applicable contractual terms.</p>

	<p>By virtue of the foregoing, the Income Tokens do not have a predetermined expiration period, and will remain in circulation until the Issuer effectively receives the economic benefits derived from the SAFE, and these have been distributed, liquidated and redeemed in full, in accordance with the token payment and burn procedure established in this Relevant Information Document.</p> <p>In the event of a Conversion Event, if the Issuer receives equity instruments (shares or other equity securities), the Income Tokens will continue until such instruments are monetized or liquidated, and the corresponding value is distributed to the token holders, in accordance with the provisions of the SAFE.</p>
<p>Structure of the Issuance</p>	<p>The public offering of Income Tokens will be made in a single tranche and will have a maximum term of up to six (6) months, counted from the date of commencement of the offering, or until the maximum total authorized amount of the Issuance has been reached, whichever occurs first.</p> <p>Once this time or amount limit has been reached, the placement will be considered closed, and no new subscriptions will be accepted.</p> <p>In the event that, at the end of the placement period, the amount effectively subscribed by the investors is lower than the original contractual amount of the SAFE, the Issuer will proceed to cancel and replace said contract, signing a new Simple Agreement for Future Shares (SAFE) that reflects the amount effectively raised, proportionally adjusting the purchase price (Purchase Amount) of the new contract.</p> <p>This substitution will be made only to reflect the final amount placed, without modifying the terms, conditions or economic rights agreed in the original SAFE, which will remain equivalent, in proportion to the capital effectively invested.</p> <p>The new SAFE contract, signed for the amount effectively placed, will be incorporated into the issuance file and communicated to the National Digital Assets Commission (CNAD).</p>
<p>Place and Method of Payment of Tokenized Income</p>	<p>The income derived from the underlying asset (the "Tokenized Income") will be distributed on a pro rata basis, based on the number of Income Tokens actually acquired by each investor and in circulation at the time of the payment generating event.</p> <p>In the event of the occurrence of a Liquidity Event or a Liquidity Event Dissolution Event, as provided in the Simple Agreement for Future Equity ("SAFE"), the Issuer will apply the amounts actually received to the mandatory redemption process of the Income Tokens.</p> <p>Such redemption will be made through the Payment Agent designated for the Issuance, and will be executed through the proportional distribution to the token holders of the net income received in USDT, according to the percentage of participation of each holder.</p>

	<p>In the event of an Equity Financing, or conversion event under the SAFE contract, the Income Tokens will remain in effect, representing the Issuer's economic rights in the SAFE Preferred Stock or other equity instruments acquired through the conversion of the SAFE.</p> <p>In this scenario, payments or distributions to token holders will only be made when the Issuer actually receives liquid income derived from such instruments, either from:</p> <ul style="list-style-type: none"> (i) dividends, (ii) revenue from distribution, (iii) profits, or (iv) product of the total or partial sale of said shares or other equivalent securities. <p>All payments arising from the redemption or distribution of the Income Tokens will be made exclusively in USDT, by transfer to the digital wallets designated by the holders, and using the infrastructure of the authorized Digital Asset Service Provider (PSAD) MIO3, S.A. DE C.V., in accordance with the operating procedures defined by the Issuer.</p>
<p>Unit Value of the Login Tokens</p>	<p>Each Income Token will have a reference unit value of TWENTY-FIVE USDT (25 USDT), used as the basis for the issuance, subscription and settlement of this Issuance.</p> <p>For accounting purposes, the investor must make the conversion to define its equivalence in United States dollars to the conversion factor in force at the time of making the purchase of the tokens.</p> <p>This unit value does not represent a guarantee of return, the right to individual reimbursement, nor does it constitute a nominal value that can be demanded in itself.</p> <p>The economic return derived from the Income Token will be conditioned exclusively on the terms of the underlying contractual instrument (e.g., a SAFE), and the occurrence of the corporate events defined in such instrument.</p>
<p>Maximum Number of Tokens to be issued</p>	<p>The maximum number of Income Tokens to be issued will be FORTY-EIGHT THOUSAND (48,000), calculated based on the total authorized amount of ONE MILLION TWO HUNDRED THOUSAND USDT (1,200,000 USDT), divided by the issuance unit value of TWENTY-FIVE USDT (25 USDT) per token.</p> <p>Ownership of an Income Token confers a proportional right over the set of economic rights linked to the underlying instrument, without implying an obligation of individual return or redemption for its unit value.</p>
<p>Issuance of Tokens Income</p>	<p>The effective issuance of the Income Tokens will be subject to the fulfillment of the condition, consisting of reaching, within the term of the public offering, the Minimum</p>

	<p>Amount of the Issuance, in accordance with the value determined in this Relevant Information Document (DIR).</p> <p>Once compliance with this condition has been verified by the Issuer and/or by the Digital Asset Service Provider (DSP) designated as the Issuance Agent, and the receipt of subscription payments has been confirmed, the Issuer will proceed to carry out the issuance and effective accreditation of the Issuance Tokens.</p> <p>Payment in favor of the subscribing investors, within a maximum period of three (3) business days, counted from the confirmation of the funds and the Minimum Amount of the Issuance has been reached.</p> <p>The Issuer shall formally notify the National Digital Asset Commission (CNAD) and the Digital Asset Service Provider (PSAD) of the occurrence of the event of compliance with the Minimum Issuance Amount, within three (3) business days following its verification. The purpose of this notification will be to record compliance with the issuance condition and the start of the calculation of the term for the effective issuance of the tokens to investors.</p> <p>In the event that the Minimum Amount of the Issuance is not reached within the offering period established for this purpose, the funds contributed by the investors will be reimbursed, in accordance with the procedure provided for in this DIR and under the operational mechanisms enabled by the PSAD.</p>
PSAD Issue	MIO3, S.A. de C.V., with entry in the registry of Digital Asset Service Providers under number PSAD-0016.
Payment Agent of the Issuance	MIO3, S.A. de C.V., with entry in the registry of Digital Asset Service Providers under number PSAD-0016, the "Payment Agent".
Listing Label of the Tokens of the Issuance	THKN1
Negotiability and Redemption of Login Tokens	<p>The Income Tokens will be offered through MIO3's digital platform, which acts as the primary market for the issuance. Following the initial offering, the platform may also facilitate transactions in the secondary market between eligible investors, subject to applicable laws and compliance requirements. All trades made on the platform will be limited to verified participants who meet the standards of KYC, KYB, and KYT.</p> <p>Income Tokens will be redeemed through the Issuer's operational infrastructure on the MIO3 platform, when a Liquidity Event or Dissolution Event occurs, as provided for in the Simple Agreement for Future Equity ("SAFE"), and provided that the Issuer has actually received liquid proceeds derived from such instrument.</p> <p>In the event of an Equity Financing or conversion to equity instruments, the Income Tokens will not be redeemed, but will remain outstanding, representing the Issuer's contingent economic rights in respect of the SAFE Preferred Shares or other instruments received under the terms of the SAFE.</p>

	<p>The redemption of the tokens that are in circulation by Equity Financing will be carried out when the total liquidation or final distribution of the economic rights has taken place.</p> <p>Once the corresponding payment has been executed, the tokens will be definitively burned, in order to reflect the total extinction of the economic rights represented and avoid duplication of obligations.</p>
Income Token Trading Platform	<p>The MIO3 Platform has been developed on the infrastructure of the Polygon blockchain.</p>

Source: Prepared by the author – ACSER, based on information from the DIR (Annex No.1)

ii) Analysis of financial projections – THKN1 issuance

The financial projections prepared by the Issuer indicate that for the period 2026 – 2030, they expect to generate profits for a total of USD5,231,904.34 distributed according to the following table:

Concepts	2026	2027	2028	2029	2030
Financial income x short-term investments	\$ 6,750.00	\$ 4,950.00	\$ 4,050.00	\$ 2,700.00	\$ 1,575.00
Income end. By revaluation of Investments	\$ -	\$159,999.95	\$1,087,197.44	\$1,929,972.94	\$2,218,087.75
Administrative and financial expenses	\$ 50,620.38	\$ 33,189.59	\$ 33,189.59	\$ 33,189.59	\$ 33,189.59
Profit / Loss for the year	-\$ 43,870.38	\$131,760.36	\$1,058,057.85	\$1,899,483.35	\$2,186,473.16

Source: Prepared by ACSER, based on information provided by the Issuer.

We have reviewed the reasonableness of the assumptions used by the Issuer in the construction of the financial projections and it is observed that they are based on a valuation of MIO3, Holdings Limited and its Subsidiary for each of the projected years and we conclude that the economic valuation of the THKN1 instrument and the underlying SAFE was made using a combination of Discounted Cash Flows (DCF) and the Venture Capital Method. appropriate methodologies for pre-equity instruments, conditional structures and projects with a high level of uncertainty.

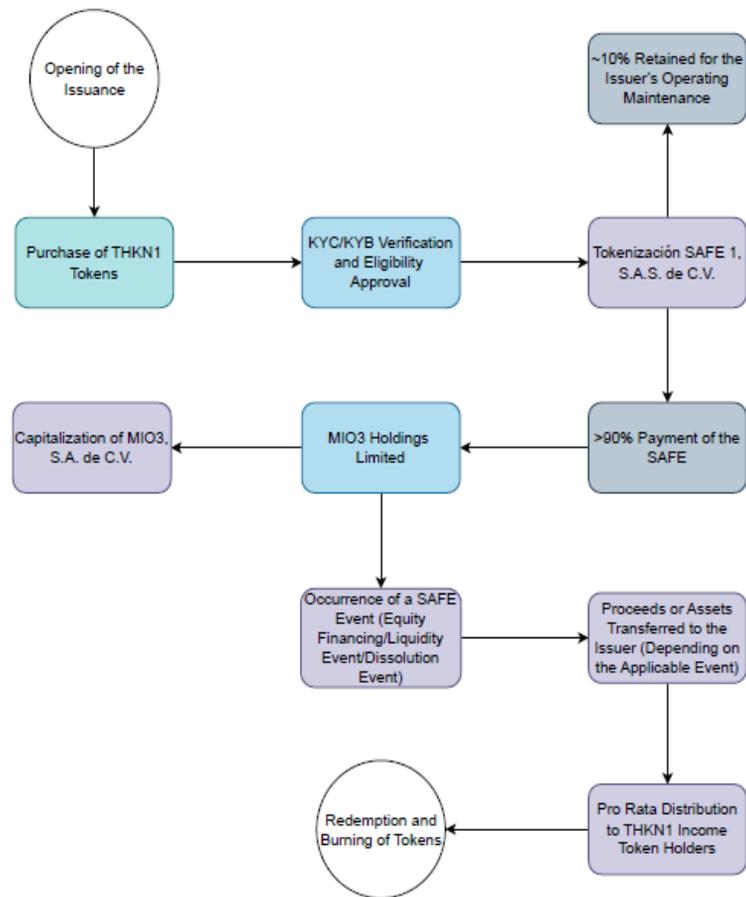
Since:

- The SAFE does not represent immediate shareholding,
- The economic rights of the THKN1 token are conditional on the occurrence of future events,
- The project is exposed to execution, market, regulation and illiquidity risks, the Issuer adopted a discount rate of 55% per annum, a criterion that is highly conservative and reasonable in a scenario of extreme risk and avoid any overestimation of the economic value.

This rate does not represent the expectation of return, but a prudential tool to evaluate the continuity of the project under adverse conditions, aligned with stress testing practices used in high-risk investments and early venture capital.

The project's implicit valuation multiple (5.5x) is within the ranges observed in early venture capital investments, reflecting a prudent growth expectation aligned with the level of risk assumed.

The following flowchart shows how the purchase of the tokens is expected to be executed:



iii) Relevant Facts about the Digital Asset Market in El Salvador

El Salvador's digital asset ecosystem is characterized by its leadership in regulation, driven by the National Digital Asset Commission (CNAD). It focuses on fostering innovation, such as the tokenization of real assets, and promoting the adoption of blockchain technology, with Bitcoin as legal tender. This environment seeks to attract investment and entrepreneurs through a modern regulatory framework and support programs.

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Key components of the ecosystem

- **Regulatory framework:** El Salvador has been recognized for its innovative regulation, which seeks a balance between security for users and the promotion of innovation in digital assets, as evidenced by its ranking in the global market.
- **Regulatory Entity:** The National Digital Assets Commission (CNAD) is the authority in charge of supervising and promoting the development of the ecosystem. It is responsible for ensuring compliance with regulations and maintaining a public registry of authorized issuers and marketers of digital assets.
- **Technology adoption:** The country has actively embraced blockchain technology, not only legalizing Bitcoin in 2021, but also boosting the development of various blockchain-based applications.
- **Innovation incentive:** The tokenization of real assets (such as real estate and commodities) is promoted and incentives and support are offered to entrepreneurs, developers, and institutions seeking to develop innovative projects.
- **Infrastructure and tools:** Robust infrastructure has been developed, including a robust nationwide digital payments network and resources for education and investment in blockchain technology.

As of the date of this study, the National Digital Asset Commission (CNAD) registers a total of 61 Digital Asset Service Providers (PSADs)¹ - among which is MIO3 S.A. de C.V. - in addition to the registration of 12 Issuers², 6 Certifiers of Public Offerings of Digital Assets³, 10 Structurers⁴; What this set of entities confirms is that there is an ecosystem created and that it is becoming more and more robust for the creation and strengthening of the digital asset market.

On the other hand, worldwide, El Salvador is viewed favorably when it comes to digital asset regulation,⁵ although it ranks 95th in terms of transaction value globally.⁶ This performance could be due in part to

¹ <https://cnad.gob.sv/es/registro-publico/proveedores-de-servicio-de-activos-digitales/>

² <https://cnad.gob.sv/es/issuers/>

³ <https://cnad.gob.sv/es/certifiers/>

⁴ <https://cnad.gob.sv/es/lista-de-estructuradores/>

⁵ Coincub. (2024). Crypto Regulation Report. https://x.com/coincub_/status/1803810784234852725?s=48.

⁶ Chainalysis (2023). Geography of Cryptocurrency Report. <https://go.chainalysis.com/geography-of-cryptocurrency-2023.html>.

limited financial⁷ and technological literacy to adopt technology and prevent financial crime, as well as operational challenges in complying with information security standards⁸.

With the creation of the Bitcoin Act (LB) in 2021⁹ and the passage of the Digital Asset Issuance Act in 2023 (LEAD),¹⁰ the regulatory and legal framework for the use of Bitcoin as legal tender and for decentralized finance (DeFi) was established. In addition, the substantive criminal legislation was amended¹¹ to typify crimes related to the illicit use of virtual assets within which are the different tokenized projects, specifically those committed against Bitcoin Service Providers (PSBs) and Digital Service Providers (PSADs), including damage to computer systems, computer fraud and the hijacking of computer systems, programs and data. These standards, among other related ones, substantively help to strengthen legal certainty and promote investor confidence; as well as counteract financial crimes related to the use of digital assets.

According to the document called: "The Virtual Asset Ecosystem in El Salvador: Risks and Challenges to Counter Financial Crimes" prepared by Global Financial Integrity and the Cyrus R. Vance Center for International Justice, from 2021 to the date of said study, around 20 regulations of different hierarchy around digital assets had been approved and modified. These include reforms to the Digital Asset Issues Act (LEEAD), which strengthen the traveler rule, provide clearer definitions on stablecoins, eliminate some requirements for the issuance of regulation and the unification of the supervision of PSADs and PSBs into a single entity, as well as the modification of the requirements for electronic invoicing in the Tax ¹²Code. Several regulations and specialized instructions that regulate Bitcoin, stablecoins and the issuance of digital assets, such as underlying or referenced assets, have also been approved and guidelines and guidelines have been established for application in anti-money laundering and counter-terrorist financing matters by the Financial Investigation Unit (UIF). Likewise, the Legislative Assembly is debating different draft laws,

⁷ Global Financial Integrity and Vance Center. (2023). The Virtual Assets Ecosystem In El Salvador: Strengthening Financial Integrity And Transparency. <https://gointegrity.org/report/the-virtual-assets-ecosystem-in-el-salvador-strengthening-financial-integrity-and-transparency/>

⁸ González, Glenda.Criptonoticias. (2024). Hackers leak code from El Salvador's Chivo Wallet. <https://www.criptonoticias.com/seguridad-bitcoin/hackers-filtran-codigo-chivo-wallet-elsalvador/>

⁹ Legislative Assembly. (2021). Digital Asset Issuance Law. <https://www.asamblea.gob.sv/sites/default/files/documents/decretos/43DA8049-AA39-4DA8-B892-437B2DD27C1C.pdf>

¹⁰ Ditto

¹¹ Legislative Assembly. (2022). Legislative Decree No. 236. <https://www.asamblea.gob.sv/sites/default/files/documents/decretos/6141982C-4614-4CF7-B658-D455A9A79616.pdf>

¹² Legislative Assembly. (2024). Legislative Decree. 960 and 487 Amendments to the Tax Code. [9BA5E264-CE0D-4CA7-97D7-D8BAC5CE106A.pdf](https://www.asamblea.gob.sv/sites/default/files/documents/decretos/9BA5E264-CE0D-4CA7-97D7-D8BAC5CE106A.pdf) ([asamblea.gob.sv](https://www.asamblea.gob.sv)) [A607DD05-7C5C-471B-A7F67393107250B7.pdf](https://www.asamblea.gob.sv/sites/default/files/documents/decretos/A607DD05-7C5C-471B-A7F67393107250B7.pdf) ([asamblea.gob.sv](https://www.asamblea.gob.sv))

including reforms to the Banking Law to incorporate the figure of private investment banks¹³ and regulate activities with stable currencies.¹⁴

In addition, a law for the Prevention, Control and Punishment of Money Laundering, Financing of Terrorism and the Proliferation of Weapons of Mass Destruction was being evaluated, which would incorporate Digital Asset Service Providers and Bitcoin Service Providers as obligated subjects.¹⁵ This set of legal updates reflects El Salvador's ongoing effort to adapt to new technologies, and ensure their operation and reliability, which poses challenges in their effective implementation.

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A relevant issue within El Salvador's financial and technological ecosystem is the regulation and incorporation of new technologies. In addition, it is pertinent to consider the pioneering adoption of Bitcoin as legal tender in the country, its use, and that of other virtual assets by the population. Overall, the government continues to push for the adoption of financial technologies and especially digital assets, with the aim of improving digital inclusion and the prosperity of the economy.

On the other hand, the Government of El Salvador is looking for a digital and financial boost that can be taken advantage of by its population, through a National Financial Inclusion Policy. It is also important to consider that 64% of the population of El Salvador continues without access to banking services,¹⁶ and only 11% have accounts through mobile phones (eMoney).¹⁷ Thus, the implementation of the National Financial Inclusion Policy¹⁸ represents opportunities to incorporate financial digitalization and innovation, and establishes digital transformation as a priority in its Digital Agenda 2020-2030.

Additionally, to promote the use of Bitcoin and other digital tools safely for users, the government has begun to implement measures such as the approval of the cybersecurity policy¹⁹. In this way, an

¹³ Legislative Assembly. (2024) Deputies study reforming law to establish private investment banking in El Salvador. <https://www.asamblea.gob.sv/node/13220>

¹⁴ Magaña, Yolanda. El Mundo Newspaper. (2024). El Salvador would create private investment banks for clients with free assets from \$250,000. <https://diario.elmundo.sv/politica/el-salvador-crearia-bancos-privados-de-inversion-para-clientes-con-activos-libres-desde-250000>

¹⁵ Attorney General's Office. (2023). Approval of the Special Law for the Prevention, Control and Punishment of AML/CFT and the Proliferation of Weapons of Mass Destruction <https://www.uif.gob.sv/aprobacion-de-la-ley-especial-para-la-prevencion-control-y-sancion-del-la-ft-y-de-la-proliferacion-de-armasde-destruccion-masiva/>

¹⁶ USAID. (2023). El Salvador Digital Ecosystem Country Assessment (DECA). <https://www.usaid.gov/digital-development/el-salvador-deca>.

¹⁷ USAID. (2023). p. 50

¹⁸ National Financial Inclusion Policy for El Salvador (PNIFSLV). National Financial Inclusion Policy for El Salvador

¹⁹ Secretariat of Innovation, Cybersecurity Policy, 2021, [https:// database.cyberpolicyportal.org/api/files/167683557209919pucn6luha.pdf](https://database.cyberpolicyportal.org/api/files/167683557209919pucn6luha.pdf)



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implementation and socialization of the regulatory framework strengthens and generates confidence for the adoption of new technologies in financial matters.²⁰

²⁰ World Bank. (2022). Digital Transformation in El Salvador, reactivating growth and inclusion. Digital Transformation in El Salvador, Reactivating Growth and Inclusion (bancomundial.org)

iv) Analysis of the technological platforms to be used by MIO3, S.A de C.V

The audit found that MIO3's technology platform is designed to be robust, scalable, and secure, using a combination of modern technologies to deliver an efficient and reliable asset tokenization solution.

1. Audit Objectives

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The objectives of this audit are to:

- **Security:** Assess the robustness of the platform and smart contracts to protect users' digital assets, including preventing fraud and cyberattacks.
- **Regulatory Compliance:** Verify adherence to El Salvador's Digital Asset Issuance Law and other relevant financial, data (KYC/AML), and consumer protection regulations.
- **Operational Efficiency:** Analyze the effectiveness of the processes of issuance, management, and transfer of tokens, as well as the scalability of the platform to support the growth of the project.
- **Transparency:** Confirm the availability and clarity of relevant information for investors and the visibility of transactions on the blockchain.

2. Scope of the Audit

The audit focused on the following components and processes related to the THKN1 broadcast:

- **Smart Contracts:** Revision of the 0x0c8086fABEBF5f7230B3c098702DBF35a735e274 smart contract code for Entry Tokens.
- **Technological Infrastructure:** Evaluation of the architecture of the MIO3 platform (AWS, microservices, databases, APIs) and its cybersecurity measures (firewalls, WAF, VPN, MFA, data encryption).
- **Security Mechanisms:** Review of access controls (RBAC), key management, and cross-chain security protocols.
- **Regulatory Compliance:** Verification of KYC/AML processes and compliance with El Salvador's Digital Asset Issuance Law.
- **Operational Processes:** Analysis of the process of requesting and approving tokenization, issuance (minting), distribution and management of tokens.
- **Governance: Evaluation** of user roles (investor, issuer, agent, administrator) and decision mechanisms in the platform and the condominium association.

3. Audit Methodology

The audit was conducted using a combined approach of:

- **Documentary Review:** Exhaustive analysis of the "Relevant Information Document", and during the meetings held during the certification process.
- **Architecture Analysis:** Evaluation of infrastructure diagrams and technology descriptions of MIO3. Calle el Mirador, entre 87 y 89 Av. Norte, Colonia Escalón, complejo World Trade Center, Torre II, San Salvador, El Salvador

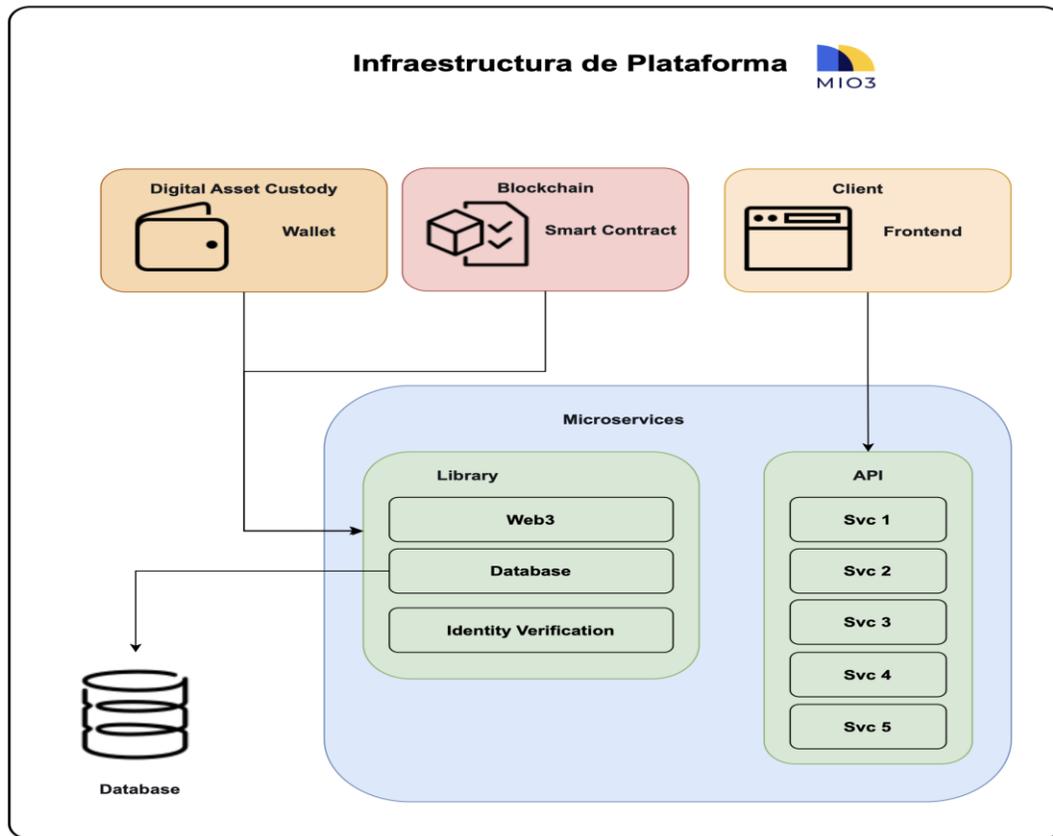
- **Code Analysis (Logical):** Conceptual review of the implementation of ERC-3643 smart contracts and their functionalities (issuance, identity/permissions, controlled transfers, ownership queries).
- **Process Review:** Examination of the operation flows for the issuance of tokens, custody of funds (specific bank accounts) and the interaction of the different user roles.
- **Compliance Assessment:** Checking declared practices against the requirements of the Digital Asset Issuance Act and AML/KYC regulations.

4. Tools and Resources Used

- **Industry Standards:** Knowledge of ERC-3643 standards, as well as cybersecurity best practices (ISO 27001).
- **Third-Party Tools (referenced by MIO3):** Chainalysis and Comply Advantage for KYC/AML processes.
- **Cloud Infrastructure:** Amazon Web Services (AWS) as the foundation of the MIO3 platform.

5. MIO3 Platform Architecture

- **Microservices:** MIO3 uses a microservices architecture, allowing the platform to be divided into independent, scalable components. This makes it easier to develop, deploy, and maintain the platform.
- **API-first:** The platform is based on an API-first approach, which means that all functionalities are exposed through APIs. This allows for easy integration with other platforms and systems.
- **Cloud-native:** MIO3 is deployed in the cloud, providing flexibility, scalability, and high availability.



Source: Datos MIO3, S.A DE C.V.

6. Smart Contracts

- A smart contract is a computer program that runs automatically when certain predetermined conditions are met, automating agreements and offering certainty without intermediaries.
- They can be self-executing, judicially enforced, or a combination of both.
- The MIO3 platform uses a module within its platform called "Factory" which is a smart contract used as a template to deploy new contracts. This means that all tokenization contracts are copies, using the same code, and only vary in their parameters (such as supply, unit price, holding maximums, or restriction lists).

7. Standards to be used for Tokens

Income Tokens: Use the **ERC-3643 standard**.

The issuance of the Income Tokens will be made on the Polygon distributed ledger technology system, a second-layer scalability solution (*Layer 2*) built on the Ethereum distributed ledger technology system. Polygon operates as a sidechain compatible with the Ethereum Virtual Machine (EVM), which allows it to maintain full compatibility with ERC standards, including ERC-3643, under which the Tokenized Revenue Issuance will be structured.

8. Token Issuance and Endorsement Processes

The token issuance process by MIO3 is an efficient and meticulous process that is divided into several stages to ensure security, transparency, and regulatory compliance.

The process is described step by step below:

1. **Tokenization Request:** The issuer initiates the process by submitting a tokenization request through the MIO3 platform. This application includes detailed information about the asset to be tokenized, such as its description, valuation, and legal documentation.
2. **Review and Approval:** The MIO3 team reviews the issuer's application and documentation. Checks are carried out to ensure that the asset complies with legal and regulatory requirements. If the application is approved, the next stage proceeds.
3. **Token Structuring:** In this stage, the characteristics of the token are defined, such as the type of token (security token, utility token, etc.), the standard of the token (ERC-3643) and the blockchain on which it will be issued (currently Polygon).
4. **Smart Contract Creation:** A smart contract is created for the token. This contract defines the rules and logic for the issuance, transfer, and management of the token. MIO3 smart contracts are audited to ensure their security and functionality.
5. **Contract Deployment:** The smart contract is deployed on the selected blockchain. This means that the contract is recorded on the blockchain and becomes immutable.
6. **Token Issuance (Minting):** Tokens are created or "minted" at the time the funds are received from investors. This ensures that the tokens are backed by real assets.
7. **Token Distribution:** Tokens are distributed to investors through their digital wallets on the MIO3 platform.
8. **Management and Custody:** MIO3 offers custody services for tokens, ensuring their security. The platform also provides tools for token management, such as viewing transaction history and managing wallets.

Benefits of the Process:

- **Security:** KYC/AML checks, information review, and agent approval ensure the security of the issuance.
- **Transparency:** The use of the Polygon blockchain provides an immutable and transparent record of the issuance.
- **Regulatory Compliance:** The process complies with El Salvador's Digital Assets Law and applicable regulations.

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Importantly, MIO3 acts as an agent in the issuance process, meaning it monitors and approves transactions to ensure the integrity of the process. In addition, the platform complies with KYC (Know Your Customer) and AML (Anti-Money Laundering) regulations to prevent fraud and money laundering.

9. MIO3 Marketplace and token purchase process by investors.

The MIO3 Marketplace is where issuers and investors connect for tokenization and trading of digital assets.

For investors, the Marketplace offers:

- **Offer discovery:** Investors can explore available token offerings, which represent real-world assets such as real estate, renewable energy projects, or any other type of initiative.
- **Detailed information:** Each offering includes key information about the underlying asset, investment structure, and relevant legal documents.
- **Subscription to offers:** Investors can subscribe to offers that interest them and participate in the purchase of tokens.
- **Investment Management:** Through their digital wallets, investors can manage their tokens and keep track of their investments.

10. Security and Control on the MIO3 Platform

- The MIO3 platform incorporates the issuance documents and trading parameters (such as description, issuer name, web links, asset type, etc.) directly as metadata within the token. This allows essential information to be accessible through a public blockchain scanner.
- The platform also implements a "lock period" control that defines how many days must elapse before a token can be transferred or resold.
- It allows you to define the maximum holdings per investor, useful for equity tokens to prevent a person from acquiring more than a certain percentage.
- At the smart contract level, the platform enforces Know Your Customer (KYC) regulations by

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identifying the geographical provenance of digital wallets. If a wallet does not meet the requirements of the allowed country for a token, the transfer is restricted.

All smart contracts have been developed in accordance with audited standards and good coding practices to mitigate risks. In addition, interaction with external networks is limited by recognized bridges that comply with industry standards to avoid interoperability issues.

11. Cybersecurity Assessment

MIO3 has implemented a robust set of cybersecurity measures, aligned with ISO 27001.

- **Access Control and Authentication:** Role-Based Access Control (RBAC) and Multi-Factor Authentication (MFA) are used for all users.
- **Network Security:** Includes firewalls, network segmentation, WAF, and VPN.
- **Application Security:** Secure coding practices, code reviews, CI/CD with security controls, and automated change management.
- **Data Management:** Encryption of data at rest and in transit, use of secret managers, and data masking/tokenization.
- **Blockchain-Specific Security:** Multi-Party Compute (MPC) wallets with Fireblocks for secure custody and management of private keys using Hardware Security Modules (HSMs).
- **Monitoring:** Continuous monitoring of smart contracts to detect unusual activity.
- **Positive Finding:** The implementation of these measures demonstrates a proactive and high-level approach to platform and digital asset protection.
- **Note:** MIO3 conducts penetration testing both in its annual external audit and for periodic internal testing and our recommendation is to maintain these practices on a regular basis to ensure infrastructure protection.

12. Penetration Testing

The audit did not include large-scale penetration testing. Nonetheless, regular penetration testing is established as a key recommendation.

- **Finding:** MIO3 conducts penetration testing both in its annual external audit and for periodic internal testing.
- **Recommendation:** This practice should continue periodically for the broadcast infrastructure.

13. Data Protection and Privacy

MIO3 claims to comply with applicable data protection regulations, including El Salvador's Personal Data Protection Law. The storage of personal data on the blockchain is limited, using off-chain solutions and encryption with key deletion to ensure the "right to be forgotten."

- **Positive Finding:** The platform demonstrates awareness of blockchain privacy challenges and
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implements measures to mitigate them.

- **Note:** MIO3 has conducted annual external audits and regular internal tests on data privacy protection, so they keep up to date with the evolution of these regulations and our recommendation is that these practices are maintained.

14. AML and KYC compliance

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MIO3 has implemented a robust and automated KYC process through integrations with Comply Advantage and Chainalysis, including identity verification, comparison with watch and sanction lists, and transaction monitoring.

- **Positive Finding:** Commitment to compliance with the FATF Travel Rule and robust KYC/AML procedures are essential to prevent money laundering and ensure transaction traceability. The Agent plays a key role in the approval of whitelisted investors.
- **Note:** Verification of the identity and provenance of funds is critical, especially in a cross-border market. Technical restrictions that prevent access from prohibited jurisdictions or by persons subject to sanctions are an effective mitigation mechanism.

15. Transparency and Accessibility

The Relevant Information Document is the main vehicle for the dissemination of information. Details about the participants, the description of the issuance, the digital assets, the destination of funds, and risk factors are included.

- **Positive Finding:** The platform seeks transparency through the publication of detailed documentation. The integration of documents (audited financial statements, incorporation of the company) within the token's metadata is an innovative mechanism to ensure the accessibility of information.
- **Note:** It should be ensured that any significant updates to the project or issuance are proactively and clearly communicated to investors, as set out in the DIR.

16. Results and Findings

- **Code Security (Smart Contracts):** Contracts are based on known standards (ERC-3643) and are generated by a common module within their platform called "Factory", simplifying security. It is indicated that they have been audited, although the detailed report of these audits is not available in this review.
- **Platform Cybersecurity:** MIO3 implements robust measures (RBAC, MFA, encryption, Fireblocks MPC, HSMs), aligned with ISO 27001. No critical flaws in the architecture or security measures provided were identified.

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- **Penetration Testing:** There is an opportunity for significant improvement in conducting large-scale, regular, and deployment-specific penetration testing of THKN1 emission.
- **Regulatory Compliance:** Strong alignment with El Salvador's Digital Asset Issuance Law and well-defined and automated KYC/AML processes (Comply Advantage, Chainalysis). The jurisdiction and tax framework are clear.

17. Classification of Findings

- **High:** No high-risk findings were found that jeopardize the immediate viability or fundamental safety of the project, based on the information provided.
- **Means:**
 - **Emissions-Specific Risk Management:** While general risks are addressed, formalizing a risk management framework that continuously monitors and evaluates the specific risk factors of the THKN1 emission is important.
- **Bass:**
 - **Detailed Operational Documentation:** Opportunities to improve the documentation of internal operating procedures specific to the issuance and post-issuance of Entry Tokens.
 - **Clarity in Governance (Execution):** Ensure that voting mechanisms for the condominium association are clear and accessible to all token holders, with detailed guidance on how to exercise their right to vote.

18. Recommendations

Technical and Safety Recommendations

1. Continuous Penetration Testing and External Audits: Maintain thorough penetration testing and code audits specific to the smart contracts of the THKN1 Issuance Entry Tokens and the infrastructure that supports them on a regular basis. Findings should always be prioritized and remediated in an agile manner. (MIO3 already meets this requirement)
2. Proactive Vulnerability Monitoring: Keep the continuous vulnerability management system updated and operational that includes automated and manual scans of infrastructure, applications and smart contracts, ensuring that the latest security patches and updates are applied in a timely manner, as has been done by MIO3.
3. Key and Access Auditing: Maintain the policy of periodic audits of private key management, especially those that control smart contracts and wallets, ensuring that they strictly adhere to HSM and MFA best practices, according to MIO3's best practices and internal policies.

Recommendations for Regulatory Compliance

1. Constant Updating of the Regulatory Framework: Maintain active monitoring of changes in the Digital Asset Issuance Law and other financial and privacy regulations, both nationally and internationally, to anticipate and adapt to new demands.
2. Specific Security Certifications: Consider obtaining recognized security certifications (beyond ISO 27001, if there are specific standards for digital assets) that reinforce trust and compliance in the field of tokenization.

Operational Recommendations

1. Comprehensive Risk Management System: MIO3 developed and implemented a formal and documented risk management system that identifies, assesses, mitigates, and monitors the specific risks of SAFE tokenization.
2. Detailed Operational Procedure: Comply with the standard operating procedures (SOPs) already established for issuance, post-issuance management, dispute resolution, and interaction between MIO3, the Issuer, and token holders.
3. Communication with Token Holders: MIO3 has a clear and regular communication channel with Entry Token holders to inform them about the progress of the issuance and/or operational changes. It is recommended that this system be automated or that there be enough staff to attend to it.

v) Legal aspects of the issuance of Income Tokens

1. Background

The issuance of digital assets in El Salvador has its legal and regulatory framework, the current issuance of the Income Token (**THKN1**) has been analyzed from this legal perspective and for this the following documents were reviewed:

- a) Digital Asset Issuance Law
- b) Digital Asset Issuance Law Regulations
- c) Relevant Information Document – Income Tokens;
- d) Deed of incorporation of the issuer;
- e) Documents issued by the Holding that authorizes the operation of SAFE 1;
- f) We have verified that MIO3,S.A. de C.V. has been authorized by the National Digital Assets Commission.

In this order of ideas, according to the revised documentation and in order to verify the due process of the issuance of the Income Token (**THKN1**) digital assets, the following numerals expand on details.

2. Tokenization SAFE 1, S.A.S. de C.V.

We have verified that the company TOKENIZACIÓN SAFE 1, S.A.S. DE C.V., is registered in the Commercial Registry at number 914 of Book 4931 of the Companies Registry and its registration is from October 8, 2025. Therefore, the legal existence of the aforementioned company is verified with the above.

3. MIO3, S.A. de C.V.

As part of the review of legal aspects of the issuance, we were able to see that, on the website of the National Digital Assets Commission, MIO3, S.A. DE C.V. is a provider of digital assets.

And, in accordance with the provisions of the LEAD, digital service providers can perform the following functions:

- a) Exchange of digital assets for fiat money or equivalent for other digital assets, either using one's own or a third party's capital.
- b) Operate an exchange or trading platform for digital assets or derivative digital assets.

The following activities when carried out in the name and on behalf of third parties:

- c) Transfer digital assets or accessory means or control them, between natural or legal persons or between different acquirers, electronic wallets or digital asset accounts

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- d) Safeguarding, custody, or managing digital assets or the means to access or control them
- e) Execute orders to buy or sell derivative digital assets."

We do not omit to mention that according to Chapter IV, Registry of Digital Asset Service Providers, Art. 18, which literally establishes: *"The Registry of Digital Asset Service Providers, hereinafter referred to as the Registry, is created, which will be administered by the National Digital Assets Commission. "...a) Digital Asset Service Providers, regulated by this Law, may only offer and provide digital asset services if they are registered with the National Digital Asset Commission of El Salvador."*

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By virtue of the aforementioned aspects, given that this report must be submitted to the National Digital Assets Commission (CNAD) for its respective review and eventual approval, it will be said regulatory institution that will determine the status of MIO3, S.A. DE C.V. and validate the status as a digital service provider at the time of issuance.

vi) Risks inherent in investing in Income Tokens.

Based on our documentary review and participation in various meetings with representatives of Tokenización SAFE 1, S.A.S. de C.V. and executives of MIO3, S.A. de C.V., we have identified the following risks:

1. Risks associated with the issuer of digital assets

- 1.1 Risks due to dependence on the SAFE as the only Underlying Asset: The Issuer does not have its own operating assets or generate independent income, it depends solely and exclusively on the results of the underlying asset. (High risk)
- 1.2 Counterparty Risks: Counterparty risk refers to the possibility that the Company issuing the SAFE does not comply with the contractual conditions or events provided for in said instrument, such as the performance of a conversion event, liquidity or any other circumstance that determines the generation of economic value or the validation of the SAFE. There are no objective guarantees about the Issuer's ability to generate revenue. (Moderate risk)
- 1.3 Risks of Lack of Diversification: The Issuer concentrates all the funds in a single instrument: the SAFE. Consequently, any adverse circumstances affecting such company, such as operating losses, decrease in its valuation, regulatory changes, legal contingencies or financing difficulties, will directly impact the value of the Tokenized Revenues. (Low risk)
- 1.4 Limited Management Capacity Risks: The Issuer has no control, administration or interference powers in the Company's management or strategic decisions. Consequently, it cannot intervene or influence aspects such as new rounds of financing, mergers, acquisitions, distribution policies or corporate decisions that may affect the value or execution of the SAFE. (Moderate risk)
- 1.5 Liquidity Risk:
 - 1.5.1 The Entry Tokens will be issued in USDT and at the time of a conversion event there may be no opportunity to obtain the economic resources. Any applicable payments or distributions will be made exclusively in USDT, eliminating the risk of currency fluctuations against the United States dollar. The Issuer does not guarantee immediate or anticipated liquidity of the Tokens. (Moderate risk)
 - 1.5.2 Any loss of value, nullity, default, adverse modification or legal ineffectiveness of the SAFE will directly impact the Issuer's ability to generate Tokenized Income in favor of investors. (Moderate risk)
- 1.6 Operation Risk:
 - 1.6.1 The Issuer does not have borrowing mechanisms, lines of credit or alternative sources of financing that allow it to anticipate or guarantee payments linked to the SAFE. (Moderate risk)
 - 1.6.2 Risks Related to Authorizations and Regulatory Framework. The Issuer is authorized by the National Digital Assets Commission (CNAD) pursuant to El Salvador's Digital Asset Issuance Law. However, there may be regulatory risks arising from the need to comply with additional

requirements in other jurisdictions or from eventual regulatory changes that affect the offering, placement or trading of the Entry Tokens. (Low risk)

- 1.6.3 In any issuance, situations may arise that hinder or limit the development of the income-generating activity and, therefore, affect the achievement of both the Issuer's objectives and investors' expectations. (Low risk)

2. Risks associated with the Platform

- 2.1 Maintenance Risks: All technological infrastructure, including blockchain, requires constant technical maintenance to ensure its efficiency, security, and stability. Lack of proper maintenance, whether on the blockchain network, custody infrastructure, or the systems of MIO3 and its vendors, can lead to decreased system performance and security vulnerabilities. (Moderate risk)
- 2.2 Software-Related Risks: Digital assets may be exposed to vulnerabilities or flaws in the smart contracts that manage them, which could compromise investors' control over their digital assets or lead to unauthorized operations, such as the unintentional minting of tokens. (Moderate risk)
- 2.3 Cybersecurity-Related Risks: The Issuer trades digital assets through specialized platforms that may be exposed to operational, information security, and cyberattack risks. Security breaches, denial-of-service attacks, or unauthorized access to systems could cause operational disruptions, financial losses, or disclosure of confidential information, potentially resulting in total or partial loss of investment. (Moderate risk)
- 2.4 Risks Related to Trading on the Platform: The value and liquidity of the Entry Tokens do not depend on the existence of a secondary market. If trading platforms are enabled, they could involve risks such as technical failures, hacks, unexpected changes in withdrawal or listing policies, delisting of tokens, insolvency of the platform or excessive concentration of liquidity in a single operator. In addition, new regulations or technological vulnerabilities could affect the continuity or accessibility of the secondary market, compromising the liquidity and value of the token. (Moderate risk)
- 2.5 Asset Recovery Risks: The identification and recovery of digital assets can be complex due to their intangible nature and the potential anonymity of transactions. (Moderate risk)
- 2.6 Risks of Erroneous Execution of Smart Contracts: The smart contracts that govern the issuance and management of tokens can be executed automatically, even during dispute processes, which could be executed more quickly than the duration of traditional legal actions. (Low risk)

3. Risks associated with Digital Assets

- 3.1 Cybersecurity risk: Digital tokens are vulnerable to cyberattacks. (Moderate risk)
- 3.2 Fraud risk: There is a risk that digital tokens will be used to commit fraud. (Moderate risk)
- 3.3 Reputational Risks: Given the novelty of the issuance of Income Tokens and the sensitivity of the financial market to digital instruments, reputational risks could arise from negative perceptions, indirect associations with third parties, misunderstandings about the nature of the tokens, operational failures or deficiencies in communication. (Moderate risk)

- 3.4 Market Risks: It is the probability of loss in the value of digital assets in the secondary market linked to the issuance, caused by fluctuations and variations in market variables such as interest rates, prices of cryptoassets, and other macroeconomic or sectoral factors that may directly or indirectly impact the valuation of the tokens. (Low risk)
- 3.5 Digital Asset Regulatory Compliance Risk: Regulatory compliance in the tokenization environment represents a significant challenge due to the constant development of the legal framework, its diversity across jurisdictions, and the decentralized nature of blockchain technology. (Low risk)
- 3.6 Anti-Money Laundering (AML) Compliance Risk: Anti-Money Laundering and Terrorist Financing (AML/CFT) regulations are evolving rapidly in the digital asset environment, which can lead to operational, strategic, and technological challenges, especially in ecosystems that incorporate elements of anonymity or decentralization. (Low risk)
- 3.7 Risk of Cross-Border Regulation: Since tokens can be transferred internationally with ease, their offering, distribution, or trading could be unintentionally subject to regulations from multiple jurisdictions. This could involve unforeseen registration, disclosure or compliance obligations, which represents a relevant legal and operational risk to the Issuer. (Low risk)
- 3.8 Data Privacy Risk: Data protection laws present unique challenges in the context of blockchain, where the immutability of data can conflict with the "right to be forgotten," recognized by legislations such as El Salvador's, contemplated in the Personal Data Protection Law, which allows individuals to request the deletion of personal data. (Low risk)
- 3.9 Fraud Risk: The world of tokenized assets is susceptible to breaches. This can include fraudulent tokenization programs that promise unrealistic returns, phishing attacks targeting token holders, or manipulation of smart contracts to steal funds. (Moderate risk)
- 3.10 Custody Risk: Secure custody of tokens presents unique challenges. Loss of private keys can result in the permanent loss of access to tokens. In addition, the risks of hacking wallets or exchanges where the tokens are stored are significant. (Low risk)
- 3.11 Risks of Erroneous Execution of Smart Contracts: The smart contracts that govern the issuance and management of tokens can be executed automatically, even during dispute processes, which could be executed more quickly than the duration of traditional legal actions. (Low risk)

4. Risks associated with the execution of the project

- 4.1 Low-return risk: There is a risk that the income generated by the Issuer will not meet investors' expectations. (High risk)
- 4.2 Risk of delays: The capital raise could delay the start-up of the project that will give growth and capital gain to the shares of MIO3 Holdings Limited. (Low risk)
- 4.3 Risk of changes in market conditions: Digital asset market conditions may change, which can impact investors' income expectations. (Low risk)

Note: The technical criteria used to classify a risk as low, moderate or high is based on the joint assessment of two fundamental variables: a) Probability of occurrence and b) Impact or severity of the consequences in the event of its occurrence.

A. Probability

Measure how likely it is that the event will occur.

Probability level	Description	Guideline Criterion
Low	Unlikely	Occurs rarely
Media	Possible	Occurs occasionally
High	Likely	Occurs frequently

B. Impact or severity

Assess the consequences if the risk materializes.

Severity Level	Description	Guideline Criterion
Low	Minor consequences	Slight delays, low costs
Medium	Significant consequences	Moderate losses, penalties
High	Serious consequences	Severe loss, legal, human, or reputational damage

vii) Specific Conclusions and General Conclusion

Specific conclusions:

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1. The Relevant Information Document (DIR) prepared by Tokenización SAFE 1, S.A.S. de C.V. complies with the essential requirements established in the Digital Asset Issuance Law and its Regulations, reflecting an adequate level of diligence and transparency in the structuring of the issuance.
2. During the review process, it was found that the management of conflicts of interest and the treatment of privileged information have defined internal policies and control mechanisms aimed at their continuous management. In particular, the provisions that grant investors participation and voting in decisions of a material nature related to possible conflicts are positively valued, which reinforces the Issuer's commitment to transparency and investor protection, aspects that must be continuously monitored to ensure transparency and investor protection.
3. The audit carried out on the technological platform of MIO3, S.A. de C.V. for the issuance of Entry Tokens of the THKN1 issuance reveals that said platform complies with regulatory requirements and is equipped with excellent features that make it a solid, reliable and adequate infrastructure for the issuance and custody of digital assets identified as **THKN1**.
4. The financial projections of the **THKN1 project** and the underlying assumptions and assumptions are reasonable and apply criteria of prudence, internal consistency and alignment with accepted practices in early-stage valuations and SAFE structures. Taken together, the estimates presented allow the economic viability of the project to be assessed under reasonable adverse conditions, which supports the technical reasonableness of the projections.

General Conclusion

The issuance proposal presented by Tokenización SAFE 1, S.A.S. de C.V. for the tokenization of the proceeds representing the economic rights derived from the SAFE convertible instrument issued by MIO3 Holdings Limited for up to 1,200,000.00 USDT, is viable and in accordance with the legal, technological and financial requirements provided for in current regulations; that is, it complies with the aspects required by the Digital Asset Issuance Law and other regulatory aspects; likewise, the technological platform of PSAD – MIO3, S.A. de C.V. is a platform with cybersecurity guarantees for the handling, management and custody of tokens.

Investors are cautioned that as an instrument whose returns depend exclusively on the conversion events foreseen in the SAFE instrument, and not on a previous history of performance or periodic flows, the investment carries inherent risks that should be carefully evaluated in accordance with the section "Risks Inherent in the Investment" (vi) of this report. However, the proposed structure represents an innovative

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and well-founded initiative, in line with international standards applicable to convertible investment instruments and with modern best financing practices.

Important note:

This document is provided exclusively for informational purposes and results of the analysis of the different documents received and does not constitute, nor should it be construed as, an offer, invitation, solicitation or recommendation to invest in and/or acquire TKHN1 tokens.

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San Salvador, December 18, 2025.

Kind regards

Legal Representative



Detail of Annexes:

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Annex No.1. Relevant Information Document

Appendix No.2 Financial Statements of the Issuer.

Appendix No.3 Deed of Incorporation of the Issuer

Annex No.4 Copy of authorization of MIO3, S.A. de C.V. as a digital service provider.



Websites reviewed:

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https://www.uif.gob.sv/wp-content/uploads/2024/07/informe_bienes_raices.pdf

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