



TOKENIZATION EXPERT

DIGITAL ASSET CERTIFIER REPORT

FAVOURABLE

CEDRO1 (\$CEDRO 1) PUBLIC TOKEN ISSUANCE

ISSUER: INVERSIONES EL CEDRO, S.A. DE C.V.

ASSET CODE: \$CEDRO 1

ASSET TYPE: Income Token

ISSUE AMOUNT: USD \$12,000,000

DIGITAL ASSET SERVICE PROVIDER: FINTECH AMERICAS, S.A. DE C.V. (PSAD-0018)

CERTIFIER: DIGITAL ASSETS SOLUTIONS, S.A. DE C.V.

CNAD AUTHORIZATION CODE: CERT-0004

REPORT DATE: December 3, 2025

VERSION 2

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1. IDENTIFICATION OF THE CERTIFIER

DIGITAL ASSETS SOLUTIONS, S.A. DE C.V. is a public limited company with variable capital incorporated under the laws of the Republic of El Salvador, duly authorized by the National Digital Assets Commission (CNAD) to act as a Digital Asset Certifier under the registration entry **CERT-0004**.

Corporate Information

Company name: DIGITAL ASSETS SOLUTIONS, S.A. DE C.V.

Date of Incorporation: January 24, 2024

Constituent Notary: Emmanuel Alejandro Barahona Mendoza

Register of Companies: Number 353 of Book 4884

Registration Number: 2024113050

Tax Identification Number: 0614-240124-103-6

CNAD Authorization Number: CERT-0004

Address and Contact

Main Address: Edificio Insigne Level 6, Local 602, Colonia San Benito, District of San Salvador, Municipality of San Salvador Centro, Department of San Salvador.

Website: <https://tokenizationexpert.com/>

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Corporate Purpose and Authorization

DIGITAL ASSETS SOLUTIONS, S.A. DE C.V. has as its main corporate purpose the provision of digital asset certification services, in accordance with the provisions of the Digital Asset Issuance Law (LEAD) and its corresponding regulations. The company has the current authorization of the CNAD to act as an independent certifier, enabling it to issue technical opinions on public and private issuances of digital assets.

Authorization as a certifier implies the responsibility to independently, objectively and professionally evaluate the technical, financial, legal and operational aspects of digital asset issuances, providing investors and the market with an informed opinion on the feasibility, structure and risks associated with each issuance.

Technical Team and Capabilities

The certifying body has a multidisciplinary team of professionals specialized in:

Financial Analysis: Evaluation of financial statements, projections, business models, and financing structures **Blockchain**

Technology: Auditing of smart contracts, decentralized architectures, and security protocols

Regulatory Framework: Specialized knowledge in El Salvador's digital asset regulations and international regulations

Risk Management: Identification, assessment and mitigation of operational, technological, market and regulatory risks

Due Diligence: Exhaustive processes of verification and validation of corporate and technical information

Certification Methodology

The certification process developed by DIGITAL ASSETS SOLUTIONS, S.A. DE C.V. is based on international auditing standards and best practices of the industry, adapted to the Salvadoran regulatory framework. The methodology includes:

1. **Exhaustive Documentary Analysis:** Complete review of the Relevant Information Document (DIR) and supporting documentation
2. **Independent Verification:** Validation of financial, technical and legal information with primary sources
3. **Risk Assessment:** Identification and detailed analysis of all relevant risk factors
4. **Technical Analysis:** Evaluation of the technological architecture, smart contracts and security measures
5. **Reasoned Opinion:** Issuance of conclusions based on objective evidence and professional analysis



2. AFFIDAVIT

I, **César Augusto Castillo Guevara**, 47 years old, of Salvadoran nationality, with Unique Identity Document number [DUI], in my capacity as **Legal Representative** of **DIGITAL ASSETS SOLUTIONS, S.A. DE C.V.**, a company duly authorized by the National Digital Assets Commission under code CERT-0004 to act as Digital Asset Certifier, hereby

I DECLARE UNDER OATH:

FIRST: That DIGITAL ASSETS SOLUTIONS, S.A. DE C.V. does not maintain, directly or indirectly, any type of commercial, financial, corporate or any other type of relationship with INVERSIONES EL CEDRO, S.A. DE C.V., its shareholders, directors, officers or related companies, which may compromise the independence and objectivity required for the exercise of the certifying function.

SECOND: That neither the certifying entity nor its professionals have participated in the design, structuring or promotion of the issuance of \$CEDRO 1 tokens, maintaining at all times the necessary independence to issue an impartial and objective technical opinion.

THIRD: That there are no conflicts of interest of any nature that may affect the impartiality of this certification report.

FOURTH: That this certification report has been prepared following internationally recognized professional methodologies, adapted to the regulatory framework established by the Digital Asset Issuance Law (LEAD) and its corresponding regulations.

FIFTH: That an exhaustive and detailed analysis of the Relevant Information Document (DIR) submitted by the issuer has been carried out, as well as of the supporting documentation provided, applying independent verification procedures when necessary and possible.

SIXTH: That the scope of this report includes the evaluation of the technical, financial, legal, operational and risk aspects associated with the issuance of \$CEDRO 1 tokens, in accordance with the standards established by the CNAD.

SEVENTH: That this report is based on the information provided by the issuer in the DIR and complementary documentation, the veracity and completeness of which is the sole responsibility of the issuer.

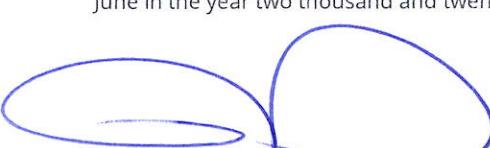
EIGHTH: That the financial projections, performance estimates and forward-looking analyses contained in the DIR are the responsibility of the issuer, and that the certifier does not guarantee their future compliance.

NINTH: That this report constitutes a professional technical opinion based on the information available as of the date of its issuance, and does not constitute an investment recommendation or a guarantee about the future performance of the tokens.

TENTH: That all the information contained in this report is truthful and has been prepared with professional due diligence, applying the highest standards of quality and objectivity.

ELEVENTH: That I assume full professional responsibility for the content of this certification report, in the terms established by the applicable regulations.

In witness whereof, I sign this affidavit in the city of [LUGAR], Republic of El Salvador, on the twenty-sixth day of the month of June in the year two thousand and twenty-five.


César Augusto Castillo Guevara
Legal Representative
DIGITAL ASSETS SOLUTIONS, S.A. DE C.V.
Digital Asset Certifier CERT-0004



3. ISSUER COMMITMENT

In accordance with the provisions of the Relevant Information Document (DIR) filed with the National Digital Assets Commission, INVERSIONES EL CEDRO, S.A. DE C.V., in its capacity as issuer of the \$CEDRO 1 tokens, has assumed the following Key commitments:

Commitment to Truthfulness and Completeness

The issuer has stated under oath that all information contained in the DIR is correct, accurate, and complete, with no material omissions that could affect the investment decision of potential token acquirers. This statement includes the truthfulness of the financial statements, the accuracy of the projections presented and the completeness of the risk description.

Commitment to Continuous Updating

INVERSIONES EL CEDRO, S.A. DE C.V. is committed to keeping all relevant information up to date and to communicate without delay any material changes that may affect the issuance of tokens or the interests of investors. This commitment includes timely notification of changes in financial condition, changes in business strategy, alterations in the applicable regulatory framework, or any material event that may impact the performance of the underlying assets.

Operational Transparency Commitment

The issuer has undertaken to provide detailed quarterly reports on the performance of the land bank and the investment portfolio, including certified financial statements, calculation of the Net Asset Value (NAV), and specific reports on the management of the underlying assets. This information will be made available to token holders through the PSAD administrator platform.

Diligent Management Commitment

INVERSIONES EL CEDRO, S.A. DE C.V. is committed to managing the land bank and investment portfolio with professional due diligence, prioritizing the interests of token holders at all times. This commitment includes the rigorous application of the established Investment Policy, respect for the defined order of priority of flows, and the implementation of adequate internal controls.

Regulatory Commitment

The issuer has made a commitment to strictly comply with all the provisions set forth in the Digital Asset Issuance Act (LEAD), its regulations, and the resolutions issued by the CNAD. This commitment includes maintaining issuer authorization, complying with reporting requirements, and adhering to corporate governance best practices.

Engagement with Token Holders

The issuer has undertaken to respect all the economic rights assigned to token holders, including their proportional participation in the flows generated by the underlying assets, respect for the established order of priority, and the transparent implementation of the mechanisms for distributing returns.

These commitments constitute contractual obligations of the issuer and form an integral part of the legal and operational structure of the issuance of \$CEDRO 1 tokens.

4. EXECUTIVE SUMMARY

This executive summary provides a comprehensive summary of the most relevant aspects of the issuance of \$CEDRO 1 tokens by INVERSIONES EL CEDRO, S.A. DE C.V., ranging from the issuer's corporate information to the technical, financial and risk analyses that underpin this certification.

4.1 GENERAL INFORMATION ABOUT THE ISSUER

Corporate Identification

INVERSIONES EL CEDRO, Sociedad Anónima de Capital Variable is a commercial company incorporated under the laws of the Republic of El Salvador on May 30, 2003, before the notarial offices of Mr. Luis Ernesto Elías Portillo. The company is duly registered in the Commercial Registry at number 29 of Book 1815, with a registration date of June 3, 2003.

The company has Tax Identification Number 0614-300503-1 and maintains its legal domicile at Paseo General Escalón, Centro Comercial Villas Españolas, Local 15 C, Colonia Escalón, District of San Salvador, Municipality of San Salvador Centro, Department of San Salvador, Republic of El Salvador.

Corporate Governance Structure

The administration of INVERSIONES EL CEDRO, S.A. DE C.V. is the responsibility of Mr. **Gerardo Miguel Saca Silhy**, who holds the position of Sole Owner Administrator. This one-person management structure concentrates strategic and operational decisions in a single person, which implies both efficiency in decision-making and concentration of operational risks.

The legal representative of the company has broad powers for the ordinary and extraordinary management of the corporate business, including the administration of the land bank that constitutes the underlying asset of this token issuance.

Corporate Purpose and Economic Activity

INVERSIONES EL CEDRO, S.A. DE C.V. Its main economic purpose is to dedicate oneself or on behalf of third parties to agricultural production, as well as to the exploitation of its own and/or leased rural land for the production of economic goods related to cereals, fruit trees, fodder, vegetables, legumes and industrial crops; storage in silos or any other means to end; fractionation of production; distribution of the same; export; afforestation, being able to carry out complementary activities for that purpose without any limitation. In general, it may exercise commerce, industry in the broadest form, as well as activities of provision of services and carry out any lawful activity that does not contravene the content of the laws. The company has developed specific expertise in the identification, acquisition, valorization and commercialization of land with urban development potential through the investment and projects division.

One of the activities on which the issuer focuses is the strategic management of a land bank composed of real estate assets located in areas of high potential for appreciation within the Salvadoran territory. This activity includes the continuous evaluation of market opportunities, the negotiation of real estate transactions, and the implementation of monetization strategies that maximize the value of assets under management. Which are mainly

- The purchase, sale, development and administration of real estate.
- The acquisition of properties for the purpose of valuation and income generation.
- The planning and execution of real estate projects.

Explanatory note: Regarding the reinvestment of flows derived from these activities, we clarify that it is a reinvestment of own funds (not of third parties), and **does not imply professional portfolio management**. These operations consist, for example, of the acquisition of new properties or, in some cases, the strategic placement of surplus funds in financial instruments as a measure to support the main activity.

Experience and Track Record

With more than 22 years of operation in the Salvadoran market, INVERSIONES EL CEDRO, S.A. DE C.V. has developed a deep knowledge of the local real estate sector, establishing solid business relationships with developers, institutional investors, and other relevant market players.

The experience accumulated by the issuer includes participation in real estate transactions of various sizes, from the acquisition of individual land to the structuring of complex transactions involving multiple assets and counterparties. This track record provides the issuer with the technical and commercial competencies necessary for the efficient management of the land bank that supports the issuance of \$CEDRO 1 tokens.

Regulatory Situation

INVERSIONES EL CEDRO, S.A. DE C.V. has obtained the corresponding authorization from the National Digital Assets Commission (CNAD) to act as an issuer of digital assets. This authorization implies compliance with specific requirements related to financial solvency, suitability of administrators, and technical capacity for the management of tokenized issuances. The issuer is subject to the continuous supervision of the CNAD and must comply with periodic reporting obligations, maintenance of minimum capital (it complies with the legal capital requirements required by the Commercial Code for its incorporation and operation as a public limited company, without there currently being an additional regulatory requirement in terms of minimum capital by the CNAD) and adherence to the best corporate governance practices established in the applicable regulations.

Contact & Communications

For the purposes of communications related to the issuance of \$CEDRO 1 tokens, the issuer has established formal channels of contact that include:

Legal Representative: Gerardo Miguel Saca Silhy

Position: Sole Owner Administrator

Address: Paseo General Escalón, Centro Comercial Villas Españolas, Local 15 C, Colonia Escalón, San Salvador

Official Communications: Through the PSAD administrator FINTECH AMERICAS, S.A. DE C.V.

Accessibility Limitations

The issuance of \$CEDRO 1 tokens is subject to geographic and regulatory restrictions that limit their accessibility to certain types of investors. Specifically, the offering is aimed at investors who meet the KYC/AML verification requirements set by the administrator PSAD and who are located in jurisdictions where the holding of digital assets is legal.

Restrictions include geographic limitations implemented through geofencing technology, identity verification through allowlist, and compliance with anti-money laundering regulations. These measures, while limiting the universe of potential investors, provide greater legal certainty and regulatory compliance to the issuance.

4.2 DESCRIPTION OF THE DIGITAL ASSET

Nature and Classification of the Token

The **\$CEDRO 1 token** constitutes an **Income Token** according to the classification established in the Digital Asset Issuance Law (LEAD) of El Salvador. This categorization implies that the token grants its holders economic rights to the revenue generated by a specific underlying asset, without constituting an equity stake in the issuer or generating voting rights or corporate control.

The token's technical definition states that each unit represents a transfer of economic rights over all earned rents and future financial flows generated by the monetization of a land bank owned by the issuer, as well as by the reinvestment of such flows in real estate assets and financial instruments in accordance with a specific investment policy.

Identification Code and Basic Characteristics

Feature	Detail
Asset Code	\$CEDRO 1
Token Type	Revenue Token
Face value	\$12,000 per token
Total Quantity	1,000 tokens
Total Issuance Amount	USD \$12,000,000
Maximum Term	10 years

Description of the Underlying Asset

The underlying asset of the \$CEDRO 1 token is constituted by the full transfer of economic rights to a diversified set of revenue streams that includes:

Main Land Bank: A set of real estate assets of an urban or rural nature, for non-residential use, which are under the ownership, control or direct administration of the issuer. This bank constitutes the initial operational and equity core of the issuance, providing the tangible basis on which the economic rights of token holders are structured.

Settlement Threshold: During the 18-month Operating Period, the Issuer may not accept offers to sell below the Settlement Threshold, equivalent to USD \$14,292,370.28. This threshold ensures that land bank monetization is done under conditions that protect the value of the underlying asset and the interests of token holders.

The income, income and flows obtained during this period, and those derived from agreements signed before their maturity (even if they are executed later), will be incorporated into the Investment Portfolio managed by the Issuer.

Direct Monetization Flows: Includes all rents and revenues derived from the commercialization, exploitation or monetization of the land bank, including total or partial sales, lease contracts, contributions to fiduciary structures, and any other form of economic value generation from real estate assets.

Reinvestment Portfolio: Includes real estate assets and financial instruments acquired through the reinvestment of the flows generated by the land bank, in accordance with the established investment policy. This component allows for the diversification and sustainability of revenues over the term of the issue.

Financial Returns: Includes dividends, interest, contractual penalties, and any other income directly or indirectly attributable to the strategic management of the aforementioned assets.

Assigned economic rights

Holders of \$CEDRO 1 tokens acquire a direct and proportional share in the entirety of the financial flows generated by the underlying asset. Each token represents exactly 1/1,000 (0.1%) of the share of such flows, establishing a precise mathematical relationship between the token holding and the corresponding economic rights.

The rights assigned include:

Proportional Share: Right to receive a proportionate share of all net income generated by the underlying asset

Priority of Flows: Preferential position in the order of income distribution, according to the established cascade structure

Information Transparency: Right to receive quarterly reports on the performance of the portfolio and the calculation of

the NAV Secondary Liquidity: The \$CEDRO1 tokens may be transferred and traded on the secondary market starting from month thirteen (13) following the issuance date. Notwithstanding the foregoing, such transferability may be enabled earlier if the Issuer, once the Minimum Placement established in the DIR has been verified, decides to open the secondary market and provides prior notice to the CNAD at least five (5) business days in advance. In all cases, the secondary market must be enabled no later than month thirteen (13) from the issuance date, and trading shall be conducted exclusively through the regulated platform of FINTECH AMERICAS, S.A. DE C.V., subject to compliance with the applicable technological, operational, and regulatory controls. **Digital Product Structure**

The \$CEDRO 1 digital product is structured as an alternative investment vehicle that combines exposure to tangible real estate assets with the operational efficiency of blockchain technology. This structure allows investors to access real estate opportunities without taking on the operational complexities of direct property development or management.

The product architecture contemplates two differentiated operational phases:

Exploitation Phase (18 months): During this period, the issuer focuses on the active monetization of the land bank through sales, joint development, or integration into trust structures. The income generated is channeled into the investment portfolio for reinvestment in accordance with the established policy.

Distribution Phase (later): Once the exploitation phase is completed, if the assets are not liquidated during this period, the income generated by the assets will be distributed directly to the token holders on a quarterly basis, providing recurring flows for the remainder of the issuance period. On the other hand, if the land bank is liquidated and the resulting funds are reinvested, they may remain invested for up to a maximum of ten years without recurring distributions, provided that the preferential yield is met

Linking to Underlying Assets: The linking between tokens and underlying assets is established through a robust legal structure that includes:

Contractual Assignment: Formal transfer of economic rights over the flows generated by the assets, documented in the DIR and supported by the legal structure of the issue.

Equity Segregation: The assets that make up the land bank and the investment portfolio are clearly identified and segregated from other assets of the issuer, ensuring the traceability of the flows corresponding to the token holders.

Fiduciary Administration: The administrator PSAD acts as an intermediary in the receipt, calculation, and distribution of flows, providing an additional layer of protection and transparency.

Blockchain Ledger: All transactions and distributions are immutably recorded on the blockchain, providing full traceability and operational transparency.

Technical Characteristics of the Token

The \$CEDRO 1 token is built under the **ERC-20F** standard on the **Polygon** blockchain, incorporating advanced control and security functionalities:

Technical Feature	Description
Standard	ERC-20F (Enhanced ERC-20)
Blockchain	Polygon
Divisibility	Up to 18 decimal places (ERC-20 standard)
Fungibility	Completely fungible
Transferability	Controlled (enabled from month 13)
Burnability	Yes (if minimum placement is not reached)
Paachability	Yes (regulatory controls)

Operational Controls and Restrictions

The token's technical implementation includes multiple layers of control designed to ensure regulatory compliance and investor protection:

Allowlist: Whitelisting system that only allows the participation of investors previously verified through KYC/AML processes.

Geofencing: Geo-restrictions implemented at the smart contract level that prevent participation from unauthorized

jurisdictions.

Transfer Limits: Controls that regulate the frequency and amount of transfers, ensuring compliance with applicable regulations.

Emergency Pauses: Mechanisms that allow the temporary suspension of operations in the event of extraordinary events or regulatory requirements.

Custody and Security

The custody of the tokens and the management of the private keys is done through **Fireblocks**, an institutional digital custody platform that provides:

Institutional Custody: Secure storage of private keys with MPC (Multi-Party Computation) technology **Access**

Controls: Multi-signature authorization systems and granular approval policies

Insurance: Insurance coverage for assets in custody

Compliance: Adherence to international regulatory standards for custody of digital assets

This custody infrastructure ensures that tokens are kept secure and that trades are executed only with the appropriate authorizations, providing peace of mind for both investors and regulators.

4.3 OFFER AND MARKETING

Structure of the Primary Offer

The trading of CEDRO1 tokens is structured using a tiered primary placement model, designed to incentivize early investor participation. Each token has a face value of \$12,000, representing a total aggregate amount of \$12,000,000.

The token distribution is organized as follows:

Category	Number of Tokens	Percentage	Destiny
Primary Placement	850 tokens	85%	Public offering
Issuer's Treasury	150 tokens	15%	Strategic reserve
Total	1,000 tokens	100%	Full broadcast

Window of Sale and Staggered Sections

The base nominal price of the \$CEDRO 1 token is USD \$12,000.00, a nominal value that is applied to the total of the issuance, composed of 1,000 tokens.

As part of the primary placement strategy developed within one, the Issuer has established a scheme of temporary discounts applicable exclusively during the Sale Window, with a maximum duration of 10 months, with the objective of encouraging early acquisition and optimizing the dynamics of capital inflows.

The Sale Window is structured in three successive tranches, each with differentiated conditions: a defined term and a maximum percentage of available tokens:

Tranche 1 - Early Placement: - Duration: Up to 6 months - Available Tokens: 40% of the tokens (400 tokens (40% of the total) -) will be available for the first six (6) months.

Discounted price: USD \$11,400.00 per token (5% discount) - Maximum amount: USD \$4,560,000% discount from base value).

Tranche 2 - Intermediate Placement: - Duration: 2 additional months - Available Tokens: : Up to 25% of the tokens (250 tokens (25% of the total) -) will be available for the next two (2) months.

Discounted price: USD \$11,700.00 per token (2.5% discount) - Maximum amount: USD \$2,925,000% discount from base value).

Tranche 3 - Final Placement: - Duration: 2 additional months - Available Tokens: : Up to 20% of the tokens (200 tokens (20% of the total) -) will be available during the last two (2) months of the placement period.

Token price: USD \$12,000.00 per token (face value) - Maximum amount: USD \$2,400,000 without discount). **Transition Mechanism Between Sections**

The design of the sales window incorporates operational flexibility that allows the optimization of placement according to market conditions:

Early Exhaustion: If 100% of the available tokens are placed in a tranche before the expiration of the established term, the issuer may bring forward the start of the next tranche by giving 5 days' notice.

Unplaced Tokens: Tokens that are not placed during the Sale Window will not be transferred to another tranche nor remain available in the primary market, but will instead be automatically incorporated into the Issuer's treasury, from where they may be used for the strategic purposes defined in the Relevant Information Document.

Post Placement: Once the Minimum Holding Period has elapsed, treasury tokens may be placed in whole or in part in the primary market, through institutional placements, private rounds, or liquidity operations, under conditions the Issuer deems strategically convenient.

Target Audience and Eligibility Requirements

The \$CEDRO 1 token offering is aimed at a specific audience of investors who meet established eligibility criteria:

Experienced Investors: Natural or legal persons who demonstrate some interest, knowledge and experience in alternative investments, with the financial capacity to assume the risks associated with digital assets.

KYC/AML Verification: All participants must complete thorough identity and source of funds verification processes, in accordance with the standards established by the PSAD administrator.

Geographic Restrictions: Participation is limited to investors located in jurisdictions where the holding of digital assets is legal and regulated.

Investment Capacity: Participants must demonstrate adequate financial capacity for the minimum investment required and an understanding of the associated risks.

Investment Conditions

Minimum Investment Amount: - **Primary Market:** USD \$12,000 (equivalent to 1 token) -

PSAD flexibility: Service providers can set higher minimum amounts based on their internal policies

Maximum Investment Amount: - **No specific limit:** Investors can acquire up to the entire available issue - **Subject to availability:** Limited by the tokens available in each tranche

Payment Methods: - **Fiat Currency:** US Dollars - **Stablecoins:** USDC and USDT (subject to PSAD policies) - **Processing:** Through the PSAD platform admin

Minimum Placement Condition

The issuance incorporates a fundamental safeguard called **Minimum Placement**, set at 40% of the total tokens issued (400 tokens equivalent to USD \$4,800,000). This condition operates as a protection mechanism for both the issuer and investors:

Fulfillment of the Condition:

- If the minimum placement is reached or exceeded during the Sale Window, the issue becomes definitively effective
- The placed tokens are activated and holders acquire all the corresponding economic rights

- The operational schedule established in the DIR is initiated

Failure to comply with the Condition: - If the minimum placement is not reached at the end of the Sale Window, the issuance is automatically cancelled - All issued tokens are "burned" (permanently deleted) - Investors receive full refund of their contributions without penalties, commissions or withholdings - No obligations or liabilities are generated for any of the parties

Secondary Market

Enablement: The \$CEDRO1 tokens may be transferred and traded on the secondary market starting from month thirteen (13) following the issuance date. Notwithstanding the foregoing, such transferability may be enabled earlier if the Issuer, once the Minimum Placement established in the DIR has been verified, decides to open the secondary market and provides prior notice to the CNAD at least five (5) business days in advance. In all cases, the secondary market must be enabled no later than month thirteen (13) from the issuance date, and trading shall be conducted exclusively through the regulated platform of FINTECH AMERICAS, S.A. DE C.V., subject to compliance with the applicable technological, operational, and regulatory controls

Platform: Secondary transactions are conducted exclusively through the regulated platform of FINTECH AMERICAS, S.A. DE C.V. (PSAD-0018).

Applicable Controls: All secondary transfers are subject to:

- KYC/AML verification of buyers and sellers -
- Geofencing compliance
- Allowlist validation of authorized participants
- Immutable blockchain record of all transactions

Market Making: The issuer reserves the right to act as a market maker to promote the liquidity of the tokens, being able to actively intervene in secondary operations.

Operational Reserve Fund

As part of the offering structure, an **Operating Reserve Fund** of USD \$150,000 is established, equivalent to approximately two years of estimated operating costs. This fund is constituted by:

Source of Resources: Proportional deduction of funds raised during the primary token placement.

Purpose: To cover expenses related to the maintenance, operation, administration and regulatory compliance of the issue.

Administration: Deposited in a segregated bank account, guaranteeing its availability for the established purposes.

Transparency: Subject to quarterly reporting on its use and available balance.

Issuer Reimbursement Mechanism:

Given that the Operational Reserve Fund is constituted with proceeds from the issuance, the Issuer shall be entitled to be reimbursed for eligible expenses —as established in this Issuance Information Document— that have been covered using the Operational Reserve Fund. Such reimbursement shall be made through deductions applied to the

Revenues Obtained from the underlying asset, thereby constituting an authorized, formal, and transparent

mechanism to restore to the Issuer the amount initially retained for the creation of the Operational Reserve Fund.

Implementation Timeline

Preparatory Phase (0-90 days): - Obtaining final regulatory clearances - Setting up the technological infrastructure - Preparing marketing materials and legal documentation

Placement, Verification, and Operational Phase (From Month 1 onward): Execution of the primary placement tranches during the Placement Window (Months 1 to 10), with continuous monitoring of compliance with the Minimum Placement and ongoing

investor

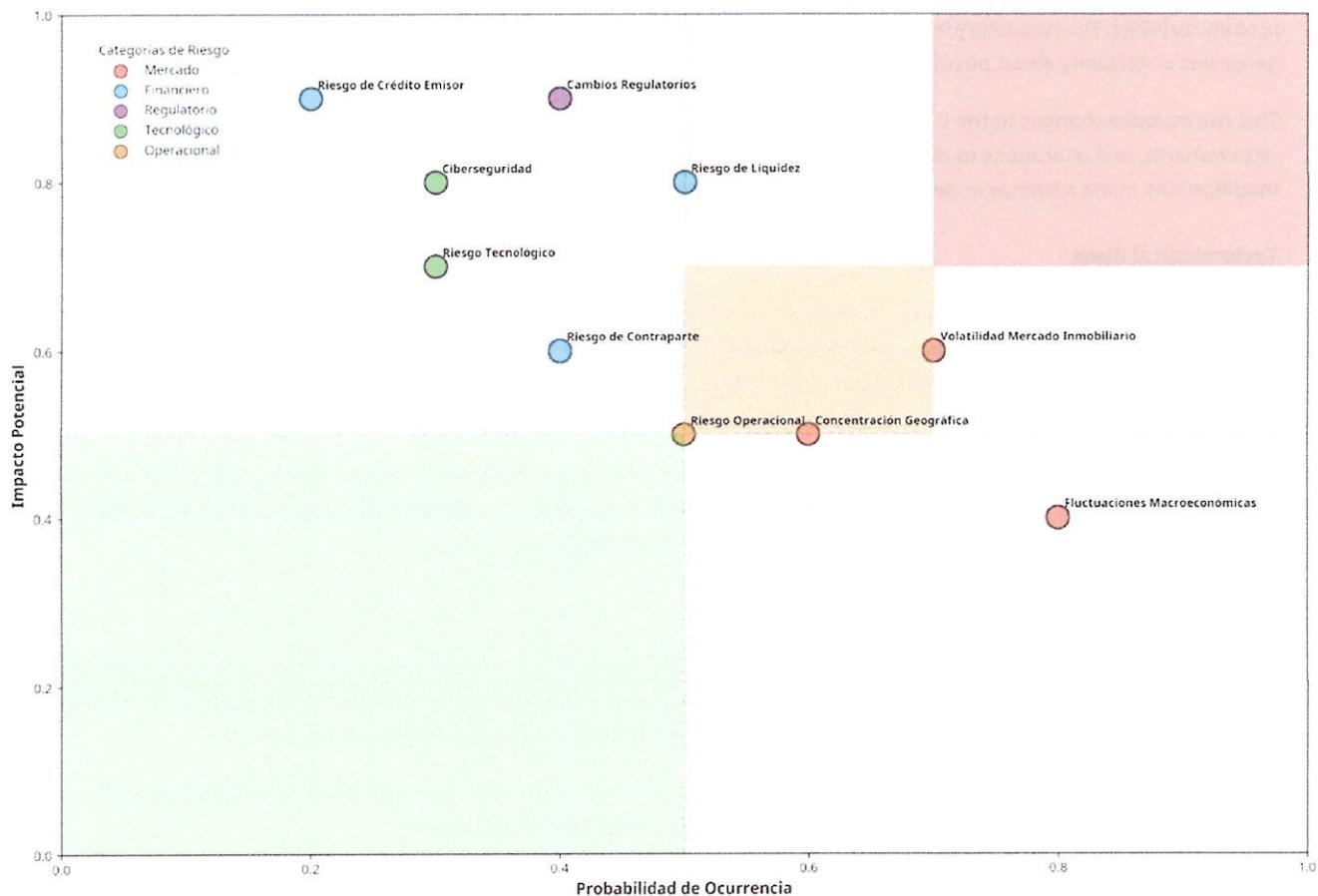
relations

management.

Formal verification of compliance with the Minimum Placement and operational activation of the tokens once such condition is met, as well as technological, operational, and regulatory preparation for the enabling of the secondary market. Enabling of the secondary market once the Minimum Placement has been met and the corresponding notice has been provided to the CNAD, and in any event no later than month thirteen (13) from the issuance date. Commencement of the land bank exploitation phase and implementation of the quarterly reporting schedule in accordance with the provisions of the Issuance Information Document. This offering and trading structure provides an orderly and transparent framework for the distribution of \$CEDRO 1 tokens, incorporating investor protection mechanisms and operational flexibility to optimize the placement process according to market conditions.

4.4 RISK ANALYSIS

Mapa de Riesgos - Token CEDRO1



The issuance of \$CEDRO 1 tokens presents a multidimensional risk profile that requires careful evaluation by potential investors. Risk analysis identifies five main categories of exposure: market, financial, regulatory, technological, and operational risks. Each category has specific characteristics that can impact investment performance in a differentiated way.

Market Risks

Market risks are the most significant category due to the nature of the underlying asset. Real estate market volatility

represents the primary risk, with an estimated probability of materialization of 70% and a potential impact of 60%. This risk stems from natural fluctuations in land prices, which may be affected by macroeconomic factors, changes in urban development demand, and specific conditions in the local Salvadoran market.

Geographical **concentration** is another relevant factor, given that all the assets of the land bank are located within Salvadoran territory. This concentration exposes investment to systematic country-specific risks, including changes in urban development policies, natural disasters, and fluctuations in local economic activity.

Macroeconomic **fluctuations** have a high probability of occurrence (80%) but a moderate impact (40%), reflecting the sensitivity of the real estate sector to variables such as interest rates, inflation, GDP growth, and political stability. These factors can influence both the demand for land and the ability of potential buyers to pay.

Financial Risks

The category of financial risks covers aspects related to the economic structure of the issue and the solvency of the counterparties involved. Liquidity **risk** is particularly relevant, with moderate probability (50%) but high potential impact (80%). This risk is manifested in the potential difficulty in converting real estate assets into cash within the established timeframes, especially during the 18-month operating period.

The **issuer's credit risk** is a critical factor with low estimated probability (20%) but very high impact (90%). This risk relates to the issuer's ability to meet its contractual obligations, efficiently manage the land bank, and maintain operational viability over the term of the issuance.

Counterparty **risk** is associated with reliance on third parties for the execution of real estate transactions, custody services, and issuance management. Although it has a moderate probability and impact (40% and 60% respectively), its materialization could affect the ability to generate the expected flows.

Regulatory Risks

Regulatory **changes** represent one of the most significant risks in terms of potential impact (90%), although with a moderate-low probability (40%). The regulatory framework for digital assets in El Salvador is relatively new and is in the process of evolving, which generates uncertainty about possible modifications that may affect the structure, operation, or taxation of the issuance.

This risk includes changes to the Digital Asset Issuance Act (LEAD), modifications to CNAD regulations, new compliance requirements, and alterations to the tax treatment of income tokens. The materialization of this risk could require structural modifications in the issuance or generate additional compliance costs.

Technological Risks

The technology category has two main components: **overall technology risk** and **cybersecurity risk**. The first relates to possible failures in the blockchain infrastructure, problems in smart contracts, or technical incompatibilities that may affect the operation of the tokens. With low probability (30%) but high impact (70%), this risk is partially mitigated through smart contract audits and the use of proven technology such as Polygon.

Cybersecurity risk has similar characteristics (30% probability, 80% impact) and encompasses threats such as attacks on custody infrastructure, private key compromise, or vulnerabilities in trading platforms. Utilizing Fireblocks as an institutional custodian provides significant mitigation, although it does not completely eliminate exposure.

Operational Risks

Operational **risks** encompass aspects related to the day-to-day management of the issuance and the underlying assets. With moderate probability and impact (50% each), this category includes errors in the administration of the land bank, deficiencies in reporting processes, problems in the distribution of yields, and failures in the issuer's internal controls.

The concentration of management in a single person (Sole Owner Administrator) increases exposure to this type of risk, particularly in scenarios of temporary or permanent disability of the main administrator.

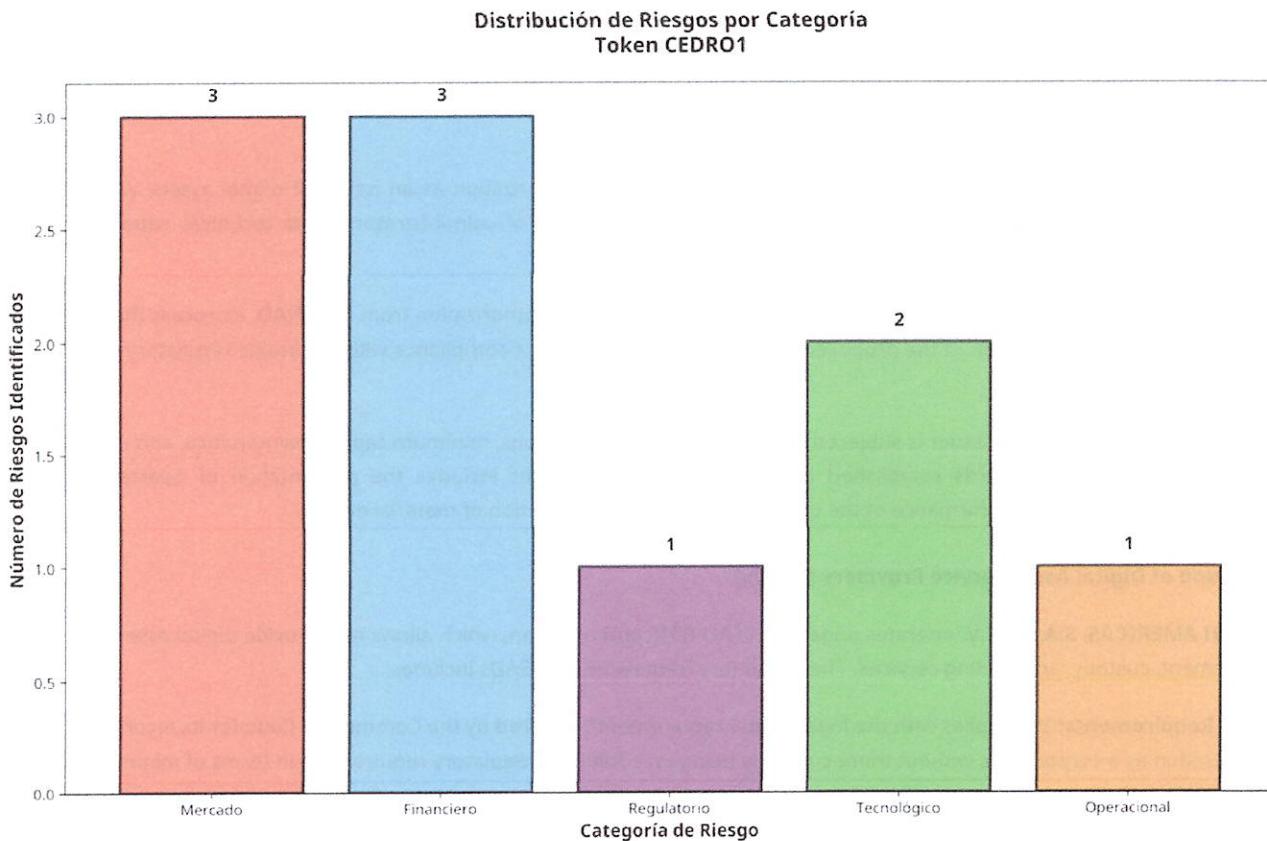
Risk of Cancellation of the Issue

The issuance will be cancelled if less than 40% of the tokens are placed within the 10-month timeframe (Sale Window). If this "minimum placement" is not reached, the issuance will be cancelled and all funds will be refunded to investors without penalty.

commission or withholding of any kind.

This mechanism, although it protects investors in the event of low demand, represents a risk that the issuance will not materialize, which could affect the investment expectations of interested participants.

Comprehensive Risk Profile Assessment



The comprehensive analysis reveals that the issuance has a medium-high risk profile, characterized by the concentration of exposures in the market and financial categories. Higher-criticality risks (regulatory changes, issuer credit risk, liquidity risk) require ongoing monitoring and targeted mitigation strategies.

The limited diversification of the underlying asset (concentration in the Salvadoran real estate sector) is a structural feature that increases the correlation between different sources of risk. This concentration should be carefully considered by investors seeking geographic or sector diversification in their portfolios.

The mitigation measures implemented (institutional custody, smart contract audits, quarterly reports, operational reserve fund) provide partial protection against several of the identified risks, although they do not completely eliminate exposure. The effectiveness of these measures will depend on their consistent implementation and continuous monitoring of their operation.

The innovative nature of the structure (real estate asset-backed income token) introduces additional risk elements related to the lack of historical precedent and limited market experience with such instruments. Investors should consider this issuance as part of the category of alternative investments, with a corresponding risk-return profile.

4.5 LEGAL AND REGULATORY FRAMEWORK

The legal and regulatory framework that underpins the issuance of \$CEDRO 1 tokens is based on Salvadoran digital asset legislation, complemented by specific real estate regulations and capital market regulations. This framework provides the necessary legal structure for the legal operation of the issuance, establishing rights, obligations, and supervisory mechanisms that protect both investors and the financial system in general.

Digital Asset Issuance Act (LEAD)

The **Digital Asset Issuance Act** constitutes the fundamental pillar of the applicable regulatory framework. This law establishes the basis for the issuance, marketing, and supervision of digital assets in El Salvador, defining specific categories of tokens and their corresponding legal characteristics.

The \$CEDRO 1 token is classified as **an Income Token** according to the corresponding article of the LEAD, which implies that it grants its holders economic rights over the income generated by a specific underlying asset, without conferring rights of corporate participation or corporate control over the issuer. This classification determines the applicable legal regime, including disclosure requirements, reporting obligations, and investor protections.

The LEAD establishes that activities related to the underlying asset of the token benefit from the provisions contained in Article 36, letter c), which provides a specific tax framework for this type of operation. This provision is particularly relevant for the income generated by the exploitation of the land bank and its reinvestment in the investment portfolio.

Regulation of the National Digital Asset Commission (CNAD)

The **CNAD** acts as a specialized regulatory authority, with powers of supervision, authorization, and sanction in matters of digital assets. The regulatory framework established by the CNAD includes:

Issuer Registry: INVERSIONES EL CEDRO, S.A. DE C.V. has a current authorization as an issuer of digital assets, which implies compliance with specific requirements of financial solvency, suitability of administrators, and technical capacity for the management of tokenized issuances.

Issuance Registry: The issuance of \$CEDRO 1 tokens must obtain specific authorization from the CNAD, a process that includes the review of the DIR, evaluation of the proposed structure, and verification of compliance with applicable regulatory requirements.

Continuous Supervision: The issuer is subject to periodic reporting obligations, minimum capital maintenance, and adherence to corporate governance standards established by the CNAD. This oversight includes the presentation of quarterly financial statements, reports on the performance of the underlying asset, and notification of material events.

Regulation of Digital Asset Service Providers (PSADs)

FINTECH AMERICAS, S.A. DE C.V. operates under the PSAD-0018 authorization, which allows it to provide digital asset management, custody, and trading services. The regulatory framework for PSADs includes:

Capital Requirements: It complies with the legal capital requirements required by the Commercial Code for its incorporation and operation as a corporation, without there currently being an additional regulatory requirement in terms of minimum capital by the CNAD.

Segregation of Assets: Obligation to keep clients' assets segregated from their own, with independent custody and specific controls.

AML/KYC Compliance: Implementation of robust procedures for identifying customers, monitoring transactions, and reporting suspicious activity.

Business Continuity: Maintenance of contingency plans, backup systems, and disaster recovery procedures.

Regulatory Framework of the Real Estate Sector

The real estate assets that make up the land bank are subject to the specific regulation of the Salvadoran real estate sector, which includes:

Land Registry: All land must be registered in force in the Land Registry, with clear titles and free of encumbrances that may affect its commercialization.

Urban Regulation: Compliance with urban development plans, zoning, and municipal regulations that may affect the use and valuation of land.

Real Estate Taxation: Income from the exploitation, marketing, and reinvestment of the land bank — including financial flows generated by the underlying asset of the \$CEDRO 1 token — are exempt from taxation under Article 36 c) of the Digital Asset Issuance Act. Consequently, while the duty to comply with property taxes (e.g., property and transfers) persists, the issuance enjoys a structural tax exemption that reinforces its efficiency.

Tax Optimization The income generated by the Portfolio qualifies as exempt from taxes in accordance with the provisions of Article 36 of the Digital Asset Issuance Law. This tax optimization is an additional benefit for token holders, as it improves the efficiency of the returns generated by the underlying asset.

Digital Asset Certification

The regulatory framework establishes the figure of the **Digital Asset Certifier** as an additional protection mechanism for investors.

DIGITAL ASSETS SOLUTIONS, S.A. DE C.V. operates under the CERT-0004 authorization, which confers on it the responsibility of:

Independent Evaluation: Objective and impartial analysis of the structure, feasibility, and risks associated with the issuance.

Technical Opinion: Issuance of reasoned conclusions on the adequacy of the issuance to the interests of investors and the applicable regulatory framework.

Professional Responsibility: Assumption of professional responsibility for the quality and veracity of the analysis carried out.

International Compliance

Although the issuance is structured under Salvadoran legislation, it incorporates elements of compliance with international standards:

FATF/FATF: Adherence to international recommendations on the prevention of money laundering and terrorist financing.

Custody Standards: Utilization of Fireblocks, which complies with international standards for institutional custody of digital assets.

Tax Transparency: Implementation of reporting mechanisms that facilitate compliance with tax obligations in multiple jurisdictions.

Investor Protections

The regulatory framework incorporates multiple layers of investor protection:

Full Disclosure: The obligation of the issuer to provide complete, accurate, and up-to-date information on all material aspects of the investment.

Asset Segregation: Clear identification of the underlying assets and their segregation from other assets of the issuer.

Regulatory Supervision: Continuous monitoring by the CNAD and other competent bodies.

Recourse Mechanisms: Availability of administrative and judicial procedures for the resolution of disputes.

Regulatory Developments

The regulatory framework for digital assets in El Salvador is in the process of continuous development and refinement. This evolution can create both opportunities and challenges:

Regulatory Clarifications: Development of more specific regulations that provide greater legal certainty.

International harmonization: Possible adoption of international standards that facilitate interoperability with other markets.

New Requirements: Implementation of additional compliance, reporting, or investor protection requirements.

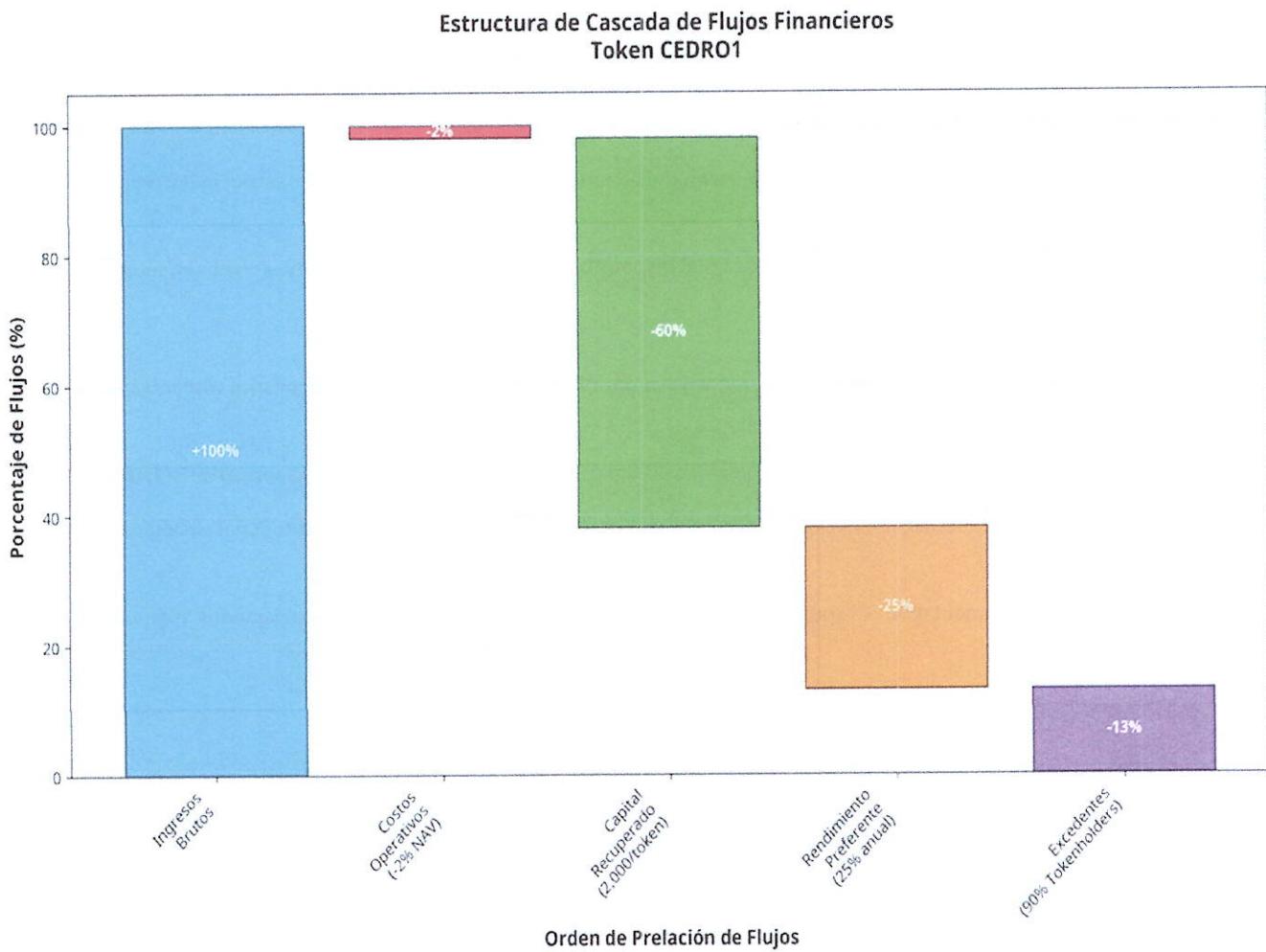
The evolving nature of the regulatory framework requires continuous monitoring and adaptation by all participants in the issuance. The issuer is committed to maintaining ongoing compliance with all applicable regulations and to timely communicate any changes that may affect the interests of token holders.

Compliance Assessment

Based on the information provided in the DIR and supporting documentation, the issuance of \$CEDRO 1 tokens presents an adequate level of compliance with the applicable regulatory framework. The necessary authorizations have been obtained, the procedures in place are aligned with regulatory requirements, and appropriate oversight and control mechanisms have been put in place.

However, the innovative nature of the structure and the continuous evolution of the regulatory framework require constant attention to maintain compliance and adapt to potential regulatory changes. Investors should consider regulatory risk as a material factor in their investment evaluation.

4.6 FINANCIAL ANALYSIS



The financial analysis of the issuance of \$CEDRO 1 tokens encompasses both the assessment of the financial strength of the issuer and the economic structure of the issuance itself. This analysis provides a comprehensive perspective on the financial viability of the project, the ability of the issuer to meet its obligations, and the reasonableness of the projections presented.

Financial Situation of the Issuer

INVERSIONES EL CEDRO, S.A. DE C.V., with more than 22 years of operation in the Salvadoran market, has a history of sustained activity in the real estate sector. The assessment of its financial situation is based on the information available in the DIR and considers both quantitative and qualitative aspects of its historical performance and current position.

Equity Structure: The issuer maintains a portfolio of real estate assets that constitutes the equity base of the issuance. These assets have been identified, recorded, and valued in accordance with appropriate technical methodologies. The concentration of assets in real estate assets provides tangible support for issuance, although it also generates concentrated exposure to the real estate sector.

Operational Capacity: The issuer's accumulated experience in the management of real estate assets constitutes a significant

intangible asset. This experience includes knowledge of the local market, established business relationships, and technical competencies for the evaluation, development, and marketing of real estate properties.

Capital Structure: The issuer's capital structure reflects a business model focused on the wealth management of real estate assets. Token issuance represents a capital optimization strategy that allows existing assets to be monetized without resorting to traditional borrowing.

Economic Structure of the Issue

The issuance of \$CEDRO 1 tokens is structured by an economic model that combines elements of real estate investment, portfolio management, and yield distribution. This structure has specific characteristics that determine the risk-return profile of the investment. The issuance contemplates a total amount of USD \$12,000,000, distributed in 1,000 tokens with a face value of USD \$12,000 each.

Amount and Distribution: The total issuance of USD 12,000 each. Of this total, 850 tokens (85%) are earmarked for public placement, while 150 tokens (15%) are reserved as Issuer's treasury. This distribution provides significant resources for the operation while maintaining alignment of interests through the participation of the issuer.

Staggered Placement Structure: The three-tier model with differentiated discounts (5%, 2.5%, and nominal value) encourages early participation and allows optimizing the raising of funds according to market conditions. The discounts offered represent a competitive cost of capital for the issuer while providing additional value to early investors.

Minimum Placement: The minimum placement requirement of 40% (\$4,800,000) establishes a viability threshold that protects both the issuer and investors. This mechanism ensures that the issuance only proceeds if there is sufficient market interest to sustain the operation.

Analysis of the Underlying Asset

The underlying asset of the issuance has specific characteristics that determine its potential to generate value:

Land Bank: The lands that make up the land bank have been selected for their potential for valorization and commercialization. The strategic location of these assets in urban development areas provides a solid foundation for future value generation.

Limited Diversification: The concentration in Salvadoran real estate assets generates concentrated exposure to specific factors of the local market. This concentration should be considered by investors seeking geographic or sectoral diversification.

Valuation Potential: The selected lands have characteristics that suggest valuation potential above the market average, including strategic location, access to infrastructure, and future development potential.

Revenue Generation Model

The revenue generation structure contemplates multiple sources that provide diversification within the real estate sector:

Exploitation Phase (18 months): During this period, the issuer focuses on actively monetizing the land bank through direct sales, joint development, or integration into fiduciary structures. The income generated is channeled into the investment portfolio for reinvestment in accordance with the established policy.

Investment Portfolio: The resources obtained from the exploitation of the land bank are reinvested in a combination of income-generating real estate assets and diversified financial instruments. This strategy allows you to maintain exposure to the real estate sector while incorporating elements of diversification.

Post-Exploitation Distributions: Assets not settled during the exploitation phase generate flows that are distributed directly to token holders on a quarterly basis. This mechanism provides recurring revenue for the remainder of the issuance term.

Cascade Flow Structure

The distribution of flows follows an order of priority designed to protect the interests of investors:

Priority Level	Description	Beneficiary
1. Operating Costs	Up to 2% per annum on NAV	Administration Fees
2. Capital Recovery	\$12,000 per token	Token holders
3. Preferential Yield	25% Compound Annual	Token holders
4. Surpluses	90% / 10%	Holders / Issuer

This structure prioritizes the recovery of invested capital and the fulfillment of a target return before the issuer participates in the extraordinary profits. The model aligns the interests of the issuer with the performance of the investment.

Sensitivity and Scenario Analysis

The financial assessment contemplates multiple scenarios that reflect different market conditions:

Base Scenario: Assumes normal market conditions, with moderate valuation of the land and compliance with the deadlines established for commercialization. In this scenario, full recovery of capital and compliance with the preferred yield is expected.

Optimistic Scenario: Includes favorable market conditions, with superior land valuation and additional investment opportunities. This scenario could generate significant surpluses that would be distributed according to the 90/10 scheme.

Pessimistic Scenario: Considers adverse market conditions, with difficulties in the commercialization of land and pressure on real estate values. In this scenario, the recovery of capital could be partial and returns below targets.

Liquidity and Exit Mechanisms

The structure of the issuance incorporates multiple mechanisms to provide liquidity to investors:

Secondary Market: The \$CEDRO1 tokens may be transferred and traded on the secondary market starting from month thirteen (13) following the issuance date. Notwithstanding the foregoing, such transferability may be enabled earlier if the Issuer, once the Minimum Placement established in the DIR has been verified, decides to open the secondary market and provides prior notice to the CNAD at least five (5) business days in advance. In all cases, the secondary market must be enabled no later than month thirteen (13) from the issuance date, and trading shall be conducted exclusively through the regulated platform of FINTECH AMERICAS, S.A. DE C.V., subject to compliance with the applicable technological, operational, and regulatory controls.

Repurchase Option: Starting in month 19, the issuer may exercise a repurchase option with a penalty of 2%, providing additional liquidity.

Final Liquidation: In the ninth year, a mandatory public auction of unliquidated assets is executed, ensuring the conversion into cash before maturity.

Operational Reserve Fund

Establishing a \$150,000 reserve fund provides additional protection against operational risks: **Coverage:** Equivalent to approximately two years of estimated operating costs.

Purpose: To cover maintenance, administration, and regulatory compliance expenses.

Administration: Maintained in segregated accounts with quarterly reports on its utilization.

Issuer Reimbursement Mechanism:

Given that the Operational Reserve Fund is constituted with proceeds from the issuance, the Issuer shall be entitled to be

reimbursed for eligible expenses —as established in this Issuance Information Document— that have been covered using the Operational Reserve Fund. Such reimbursement shall be made through deductions applied to the **Revenues Obtained** from the underlying asset, thereby constituting an authorized, formal, and transparent mechanism to restore to the Issuer the amount initially retained for the creation of the Operational Reserve Fund.

Flow Priority Scheme

The updated financial structure establishes the following order of priority:

1. Coverage of essential operating costs: Operating and administration fees up to 2% per annum on the Net Asset Value (NAV), calculated and applied quarterly.
2. Prioritized Distributions to Tokenholders - Return of Face Value Level: The remaining net flows are distributed until the face value of USD \$12,000 per token is reached.
3. Prioritized distributions to Tokenholders - Preferred Yield Level: Additional flows are distributed until a cumulative compound return of 25% per annum on the capital contributed is covered.
4. Distribution of Surpluses: 90% for Tokenholders and 10% for the Issuer as performance compensation ("carry").

This structure prioritizes the protection of investors' capital and establishes a preferential yield before the Issuer participates in the surpluses.

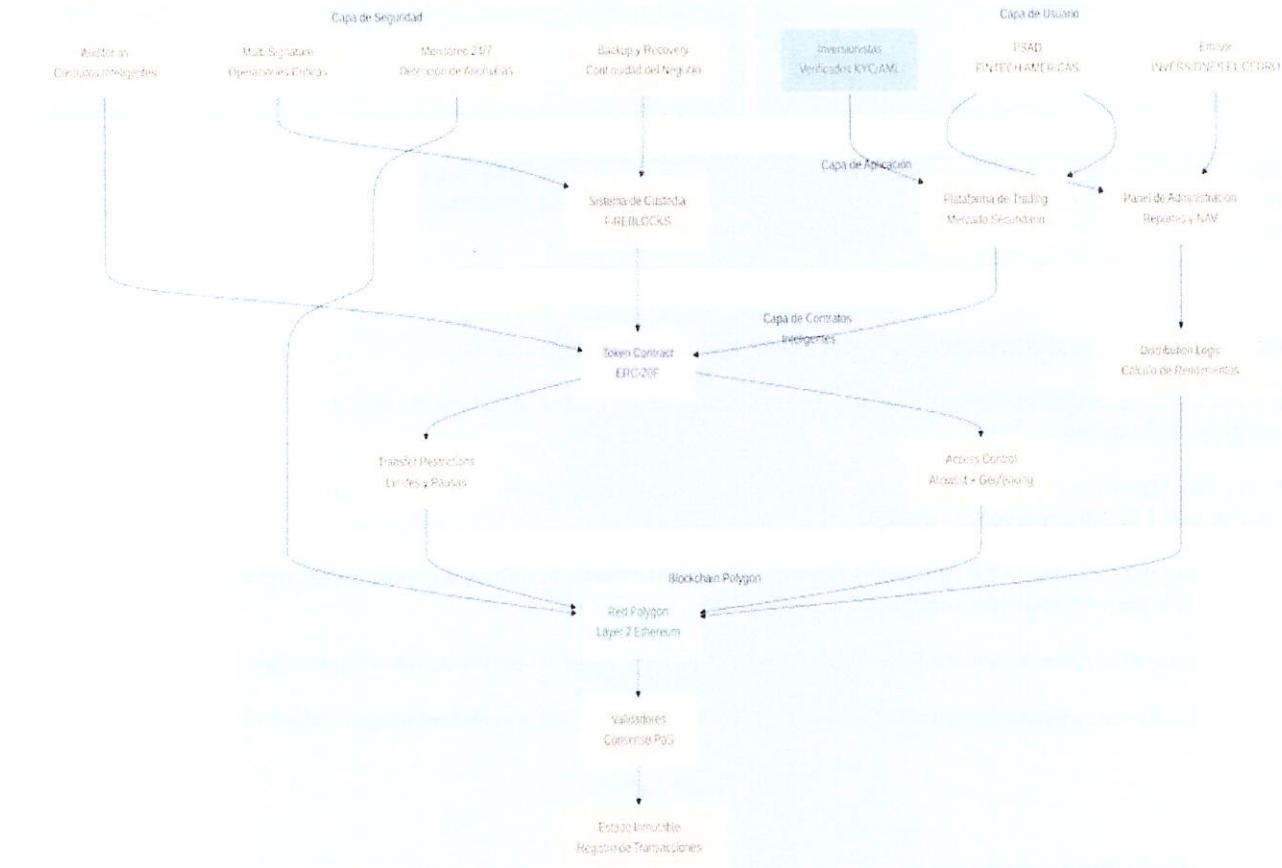
Financial Feasibility Assessment

Comprehensive financial analysis suggests that the issuance has solid economic fundamentals, backed by tangible assets and a flow structure that prioritizes investor protection. The issuer's experience in the real estate sector and the implementation of additional protection mechanisms strengthen the viability of the project.

However, investors should consider sectoral and geographic concentration as factors that increase the correlation of risks. The dependence on the performance of the Salvadoran real estate market is a fundamental element in the evaluation of risk-return on investment.

The financial structure of the issuance reflects an appropriate balance between the generation of value for investors and the operational sustainability of the project. The control, reporting, and distribution mechanisms provide transparency and alignment of interests that contribute to the financial soundness of the proposal.

4.7 TECHNICAL ANALYSIS



The technical analysis of the issuance of \$CEDRO 1 tokens evaluates the technological infrastructure, the architecture of smart contracts, the security measures implemented, and the robustness of the systems that support the operation of digital assets. This assessment is essential to determine the technical feasibility of the issuance and the adequacy of the technological solutions adopted.

Blockchain Architecture and Token Standard

The issuance uses the **Polygon** blockchain as the underlying infrastructure, implementing the **ERC-20F** (Enhanced ERC-20) standard for the creation and management of the tokens. This technological choice has multiple technical and operational advantages that contribute to the robustness of the solution.

Polygon Blockchain: The selection of Polygon as the underlying network provides significant advantages in terms of scalability, transaction costs, and processing speed. As a Layer 2 solution for Ethereum, Polygon maintains compatibility with the Ethereum ecosystem while offering faster and cheaper transactions. The network has a track record of operational stability and institutional adoption that supports its suitability for financial applications.

ERC-20F Standard: The implementation of the ERC-20F standard incorporates advanced control and safety functionalities that go beyond the basic ERC-20 standard. These functionalities include pause mechanisms, transfer controls, and granular permit management that are essential for regulatory compliance and investor protection.

Interoperability: Compatibility with the ERC-20 standard ensures interoperability with the wide range of wallets, exchanges, and decentralized applications in the Ethereum/Polygon ecosystem. This interoperability facilitates integration with third-party services and provides operational flexibility.

Smart Contracts and Functionalities

Smart contract architecture implements multiple layers of functionality designed to automate operations, ensure regulatory compliance, and protect investors' interests.

Token Master Contract: The main contract implements the token's fundamental logic, including transfer, balance, and metadata functions. This contract incorporates specific modifications to support the required regulatory controls, while maintaining

compatibility with standard ecosystem tools.

Access Control System: The implementation includes a sophisticated access control system that manages permissions in a granular manner. This system allows the management of allowlists, the implementation of geofencing, and the control of sensitive operations through multi-signature mechanisms.

Distribution Logic: Smart contracts automate the calculation and distribution of yields according to the established order of priority. This automation reduces operational risks and ensures consistent application of the distribution rules defined in the DIR.

Pause and Emergency Mechanisms: The architecture includes pause functionalities that allow the temporary suspension of operations in the event of technical emergencies or regulatory requirements. These mechanisms provide operational flexibility while maintaining the integrity of the system.

Security Audits

The security of smart contracts has been assessed through specialized technical audits that identify potential vulnerabilities and verify the correct implementation of business logic.

Code Audits: Smart contracts have undergone extensive code reviews that evaluate aspects such as security vulnerabilities, gas efficiency, and correct implementation of business logic. These audits include static analysis, dynamic testing, and manual review by blockchain security experts.

Penetration Testing: The infrastructure has been subjected to penetration tests that simulate real attacks to identify vulnerabilities in the implementation. These tests cover both the smart contract layer and the supporting infrastructure.

Formal Verification: Formal verification techniques have been applied to mathematically demonstrate the correctness of critical components of the system, particularly those related to the calculation and distribution of yields.

Custody Infrastructure

Token custody and private key management is done through **Fireblocks**, an institutional digital custody platform that provides multiple layers of security and control.

MPC Technology: Fireblocks uses Multi-Party Computation (MPC) technology that eliminates single points of failure in private key management. This technology distributes cryptographic responsibility among multiple parties, ensuring that no single entity can compromise the security of assets.

Access Controls: The platform implements granular access controls that require multiple authorizations for critical operations. These controls include configurable approval policies, transaction limits, and time windows for sensitive trades.

Monitoring and Alerting: The system includes advanced monitoring capabilities that detect anomalous patterns of activity and generate alerts in real-time. This monitoring covers both individual transactions and aggregate behavior patterns.

Insurance and Surety - Fireblocks provides insurance coverage for assets under custody, offering additional protection against losses arising from technical failures or security compromises.

Regulatory Compliance Measures

The technical implementation incorporates multiple mechanisms designed to ensure compliance with applicable regulations and facilitate regulatory oversight.

Automated KYC/AML: Smart contracts integrate automatic KYC/AML compliance checks that prevent the participation of unverified entities. These checks are executed in real-time during transactions, ensuring ongoing compliance.

Geofencing: The implementation includes geo-restrictions that prevent access from unauthorized jurisdictions. These restrictions are implemented at both the smart contract level and in user interfaces.

Full Traceability: All transactions are immutably recorded on the blockchain, providing full traceability for audit and regulatory compliance purposes. This traceability includes additional metadata that facilitates analysis and reporting.

Automated Reporting: The system automatically generates compliance reports that facilitate regulatory reporting obligations. These reports include information about transactions, token holders, and distributions of

Yields.

Treasury Tokens

Fifteen percent (15 %) of the total tokens to be issued, equivalent to one hundred and fifty (150) tokens, will not be available for acquisition by the public in the primary market during the Sale Window and will be retained by the Issuer as part of its treasury portfolio.

While such tokens remain in the Issuer's treasury and have not been placed, the Issuer will maintain its proportional economic right over the financial flows generated by the underlying portfolio, under the same conditions as the rest of the issued tokens. Accordingly, it **will retain** the flows generated by those tokens and exclude them from the distributions authorized to other investors.

Treasury tokens may be used by the Issuer to maintain direct participation in the issuance, facilitate liquidity operations in the primary or secondary markets, or monetize their value in accordance with its corporate strategy, always after the Minimum Holding Period has elapsed and in strict compliance with applicable regulations.

Scalability and Performance

The technical architecture has been designed to support the expected transaction volume over the life of the issuance, with the ability to scale to accommodate future growth.

Transaction Capacity: The Polygon network can process thousands of transactions per second, providing more than enough capacity for the needs of the issuance. Reduced transaction costs facilitate frequent operations without significant impact on operating costs.

Gas Optimization: Smart contracts have been optimized to minimize gas consumption, reducing operating costs and improving system efficiency. This optimization includes advanced programming techniques and efficient data structures.

Caching and Indexing: The infrastructure includes caching and indexing systems that improve query performance and reduce latency for frequent operations.

Business Continuity and Disaster Recovery

The technical architecture incorporates multiple measures to ensure operational continuity and resilience to adverse events.

Redundancy: Critical system components are implemented with redundancy that ensures continuous availability even in the event of individual failures. This redundancy includes multiple blockchain access nodes and backup systems for off-chain components.

Backup and Recovery: Regular backups of all critical data are maintained, including smart contract configurations, transaction logs, and compliance data. The recovery procedures have been tested and documented.

24/7 monitoring: The system is subject to continuous monitoring that detects potential problems before they affect the operation. This monitoring includes automatic alerts and escalation procedures for rapid response.

Technical Risk Assessment

Technical analysis identifies several risks that require ongoing monitoring and mitigation:

Smart Contract Risks: Although contracts have been audited, there is residual risk of undetected vulnerabilities or bugs in implementation. This risk is mitigated through ongoing audits and updates when necessary.

External Infrastructure Dependency: Reliance on Polygon and Fireblocks introduces risks related to the availability and security of these platforms. These risks are mitigated through the selection of high-quality suppliers and the implementation of contingency plans.

Technological Evolution: Changes in the blockchain ecosystem may require future upgrades or migrations. This risk is managed through continuous monitoring of technological developments and maintenance of architectural flexibility.

Conclusions of the Technical Analysis

The technical assessment reveals that the issuance of \$CEDRO 1 tokens is backed by a robust and well-designed technological architecture. The selection of proven technologies (Polygon, ERC-20F, Fireblocks) provides a reliable basis for the operation of digital assets.

The security measures in place, including smart contract audits, institutional custody, and automated compliance controls, provide multiple layers of protection that mitigate significant technical risks.

The architecture demonstrates appropriate consideration of aspects such as scalability, regulatory compliance, and business continuity, suggesting that the system is prepared to support the successful operation of the issuance during its lifetime.

However, like any technological implementation, the system requires continuous monitoring, regular maintenance, and adaptation to changes in the technological and regulatory environment. Proactive management of these aspects will be crucial to maintain

the technical robustness of the issue over time.

4.7.1 CORPORATE GOVERNANCE AND PORTFOLIO OVERSIGHT

Supervision and Control Structure

The Issuer has established a specific corporate governance structure for the supervision and control of the investment portfolio associated with the CEDRO1 issuance. This structure ensures the professional, transparent, and efficient management of the underlying assets.

General Portfolio Supervision and Control Committee

In accordance with Annex 18 of the DIR, a General Committee for the Supervision and Control of the Portfolio has been constituted, made up of professionals with specialized experience in:

- Real estate management and asset valuation
- Fiduciary structuring and portfolio management
- Financial analysis and investment evaluation
- Digital Asset Regulatory Framework

Functions of the Committee:

1. Supervise the implementation of the established Investment Policy
2. Review and approve investment and divestment decisions
3. Monitor portfolio performance and goal fulfillment
4. Ensure compliance with internal controls and regulatory frameworks
5. Validate NAV calculations and quarterly financial reports

Investment and Projects Division

The management of the portfolio is structured in two main divisions:

Real Estate Assets Division:

- Management of the original land bank
- Evaluation and acquisition of new real estate assets
- Supervision of development and valorization projects
- Administration of lease and sale contracts

Financial Instruments Division:

- Investment management in fixed-income securities
- Administration of shares in investment funds
- Supervision of investments in certificates and stock market paper
- Control of liquidity and cash flows

Internal Controls and Risk Mitigation

The Issuer has implemented robust internal controls including:

- Separation of critical functions in portfolio management
- Dual validation processes for investment decisions
- Independent external audits (Annex 7 - Audit Contract)
- Periodic performance and compliance reports
- Conflict of interest management protocols (Annex 14)

Team Experience and Capabilities

The operational team has proven experience in:

- Real estate management and project development

- Structuring complex financial transactions
- Real asset portfolio management
- Capital Markets Regulatory Compliance
- Financial analysis and risk assessment

This supervisory structure ensures that portfolio management is carried out in accordance with industry best practices and in strict compliance with the applicable regulatory framework.

4.7.2 ACCOUNTING FRAMEWORK AND FINANCIAL REPORTING

Applicable Accounting Scheme

The CEDRO1 issuance is governed by a specific accounting scheme designed for digital assets backed by real assets, which complies with international financial reporting standards and local regulatory provisions.

NAV Valuation Methodology

The calculation of the Net Asset Value (NAV) is carried out quarterly according to the following methodology:

Calculation Basis:

NAV = Total Portfolio Assets - Portfolio Liabilities

Asset Components:

1. Land Bank: Valued using technical methodologies in accordance with international standards (IVS)
2. Real estate assets: Appraised annually by independent appraisers
3. Financial instruments: Valued at market prices or at a discount of future flows
4. Cash and equivalents: Nominal value
5. Investments in funds: Value of participation shares

Components of Liabilities:

1. Accrued administration fees
2. Unpaid operating expenses
3. Contractual obligations of the portfolio

Financial Reporting Schedule

The Issuer maintains the following financial reporting schedule, which has been adjusted to reflect reasonable operational criteria and to ensure that the information disclosed is complete, verifiable, and duly certified:

Quarterly Reports (Days 0-45 following quarter-end):

- Certified quarterly financial statements of the portfolio.
- Updated valuations of the underlying assets.
- Report on financial flows and investments executed during the period.
- Preliminary calculation of the Net Asset Value (NAV).

NAV Publication (Days 46-90 following quarter-end):

- Validation of the NAV calculation by the Issuance Administrator.
- Determination and publication of the reference value per token.
- Publication of the NAV through the PSAD platform (Monetae).
- Notification to tokenholders.

Annual Financial Statements:

- Annual audited financial statements of the Issuer (Annex 9).
- Independent external audit report (Annex 7).
- Regulatory compliance report.
- Annual assessment of internal controls.

Both the quarterly certifications and the annual audited financial statements must be published on the PSAD platform prior to any distribution of returns to tokenholders. Certifications corresponding to quarters ending in March, June, and September must be published within forty-five (45) calendar days following the close of the relevant period. Certifications for the fourth quarter, together with the annual audited financial statements, must be published no later than April 30 of the immediately following fiscal year, or within the time limits established under the Commercial Code, if applicable.

Transparency Standards

The accounting scheme incorporates the following principles:

Transparency: All NAV calculations are verifiable and available for review
Objectivity: Valuations are based on recognized technical methodologies
Consistency: Uniform criteria are maintained across reporting periods
Traceability: Each component of the NAV is traceable to its original source

External Audit

The Issuer has engaged independent external audit services (Annex 7) including:

- Annual review of financial statements
- Validation of valuation methodologies
- Verification of internal controls
- Issuance of an opinion on the reasonableness of the NAV

Compliance

The accounting scheme complies with:

- Provisions of the Digital Asset Issuance Act (LEAD)
- Regulations of the National Digital Asset Commission (CNAD)
- International Valuation Standards (IVS)
- Investment Fund Industry Best Practices

Accounting Tax Benefits

Under Article 36 of the LEAD, portfolio income is exempt from taxation, simplifying accounting treatment and improving the efficiency of returns for token holders.

This accounting framework ensures the integrity, transparency and reliability of the financial information related to the CEDRO1 issuance.

Note: Activities directly linked to the issuance, management and operation of \$CEDRO 1 tokens would be covered by these tax benefits; Therefore, all that activity directly linked to the commercialization, exploitation, income obtained or any other economic benefit from the Land Bank together with its Investment Portfolio, when related to the digital asset \$CEDRO 1, are within the scope of the aforementioned tax benefits.

On the other hand, traditional real estate activities, i.e. all those not linked to the Land Bank and its investment portfolio, which are not part of the underlying activity – as they are not directly related to digital assets \$CEDRO 1 – would continue to be subject to the general tax regime.

4.8 MARKET ANALYSIS

The market analysis for the issuance of \$CEDRO 1 tokens covers both the context of the Salvadoran real estate market that underpins the underlying asset, as well as the emerging digital asset market where the tokens will be traded. This dual assessment provides a comprehensive perspective on the opportunities and challenges facing issuance in both relevant markets.

Salvadoran Real Estate Market

The real estate market in El Salvador has specific characteristics that directly influence the potential for appreciation and commercialization of the land bank that supports the issuance.

Macroeconomic Context: El Salvador has experienced relative macroeconomic stability in recent years, with the adoption of the U.S. dollar as the official currency providing exchange rate stability that benefits real estate investments. Moderate economic growth and improved safety indicators have contributed to a more favorable environment for real estate development.

Demand for Urban Land: The population concentration in the metropolitan area of San Salvador generates sustained demand for land suitable for urban development. This demand is driven by population growth, internal migration to urban centers, and the need for expansion of commercial and industrial infrastructure.

Supply and Availability: The supply of well-located land with development potential is relatively limited, especially in strategic areas with access to infrastructure and services. This relative scarcity contributes to the appreciation of land in privileged locations.

Development Trends: The market shows a growing preference for mixed developments that combine commercial, residential,

and service uses. This trend favors land with flexibility of use and potential for integrated developments.

Valuation Factors: The main factors driving land valuation include proximity to urban centers, access to transportation infrastructure, availability of public services, and potential for high-density development.

Competitive Analysis

The Salvadoran real estate market includes several actors competing for investment and development opportunities:

Institutional Developers: Large developers with access to significant capital and experience in large-scale projects. These actors represent both competition and potential partners for joint property development.

Individual Investors: Private investors looking for medium and long-term appreciation opportunities. This segment constitutes the natural market for the direct sale of land from the land bank.

Investment Funds: Investment vehicles specialized in real estate assets that seek geographical and sectoral diversification. These funds may represent institutional buyers for significant portions of the portfolio.

Foreign Investors: International capital that seeks opportunities in emerging markets with higher appreciation potential. El Salvador's monetary stability attracts this type of investment.

Digital Asset Market in El Salvador

The digital asset market in El Salvador is in the early development stage, presenting both significant opportunities and challenges inherent in emerging markets.

Pioneering Regulatory Framework: El Salvador has established one of the most advanced regulatory frameworks for digital assets in Latin America, providing legal certainty that attracts issuers and investors. The Digital Asset Issuance Act (LEAD) and CNAD oversight create a favorable regulatory environment for financial innovation.

Bitcoin adoption: The adoption of Bitcoin as legal tender has positioned El Salvador as a leader in digital asset adoption, generating international interest and attracting investment in the fintech and blockchain sector.

Technological Infrastructure: The country has developed technological infrastructure that supports the operation of digital assets, including trading platforms, custody services, and regulatory compliance systems.

Investor Base: There is a growing base of local and international investors interested in Salvadoran digital assets. This base includes both sophisticated and retail investors seeking diversification and exposure to alternative assets.

Demand Analysis

The potential demand for \$CEDRO 1 tokens comes from multiple investor segments with differentiated motivations:

Real Asset Investors: Investors seeking exposure to real estate assets without the complexities of direct investing. Tokens provide fractional access to a diversified portfolio of professionally managed land.

Portfolio Diversification: Investors seeking geographic and sector diversification through exposure to the Salvadoran real estate market. The tokenized structure facilitates inclusion in international portfolios.

Alternative Investment: Sophisticated investors looking for alternative investment opportunities with the potential for higher returns than traditional instruments. The cascade flow structure offers capital protection with upside potential.

Technology Adoption: Investors interested in participating in the evolution of the digital asset market by investing in innovative structures backed by tangible assets.

Competitive Advantages

The issuance of \$CEDRO 1 tokens has multiple competitive advantages that differentiate it from available investment alternatives:

Tangible Backing: Unlike many digital assets, tokens are backed by tangible real estate assets with intrinsic value and potential for independent appreciation.

Professional Management: Investors have access to specialized professional management without the need to develop internal expertise in the Salvadoran real estate market.

Improved Liquidity: The tokenized structure provides greater liquidity compared to direct investment in real estate assets, through secondary market and repurchase options.

Operational Transparency: Blockchain technology and quarterly reporting provide superior transparency compared to traditional real estate investment vehicles.

Cost Efficiency: The structure eliminates multiple layers of intermediation typical of real estate investments, reducing costs and improving net returns.

Market Size Analysis

The total addressable market for issuance includes multiple segments:

Local Market: Salvadoran investors with an interest in portfolio diversification and exposure to digital assets. This market is estimated to be in the hundreds of millions of dollars in capital available for alternative investments.

Regional Market: Central American investors looking for investment opportunities in neighboring markets with favorable regulatory frameworks.

International Market: International capital interested in exposure to emerging markets through regulated and transparent structures.

Market Risks

The analysis identifies several risks related to market conditions:

Real Estate Volatility: Fluctuations in real estate values can affect the performance of the underlying asset and the ability to generate projected returns.

Limited Liquidity: The secondary market for tokens may present limited liquidity, especially during adverse market conditions.

Growing Competition: The development of the digital asset market may generate increasing competition for capital from investors interested in this type of instrument.

Regulatory Changes: Modifications in the regulatory framework can affect the demand and operation of digital assets.

Growth Opportunities

The analysis identifies multiple opportunities that could benefit the performance of the issuance:

Market Growth: The digital asset market is expanding, with increasing institutional and retail adoption that can increase demand.

Real Estate Development: El Salvador's economic and urban growth can drive the appreciation of underlying assets.

Financial Innovation: El Salvador's pioneering position in digital asset regulation may attract international capital interested in participating in innovative markets.

Product Diversification: The success of the issuance can open up opportunities for similar products that expand the total market.

Market Analysis Findings

Market analysis reveals a favorable backdrop for the issuance of \$CEDRO 1 tokens, with convergence of positive factors in both the underlying real estate market and the digital asset market. The potential demand seems sufficient to support successful issuance placement, while competitive advantages provide differentiation in a growing market.

The risks identified are manageable by the structure of the emission and the mitigation measures implemented. Growth opportunities suggest potential for outperformance under favorable scenarios.

The combination of tangible assets, favorable regulatory framework, and innovative structure positions the issuance favorably to

5. PROOF OF PAYMENT OF THE REGISTRATION FEE

In accordance with the requirements established in the Digital Asset Issuance Law (LEAD) and the corresponding regulations, every issuer of digital assets must prove the payment of the registration fee to the National Digital Assets Commission (CNAD) as a precondition for the authorization of the issuance.

Regulatory Obligation

The corresponding article of the LEAD states that issuers of digital assets must pay a registration fee whose amount is determined based on the total value of the proposed issuance. This fee constitutes an income of the CNAD destined to finance the activities of supervision, regulation, and development of the digital asset market in El Salvador.

Document Review

In accordance with the provisions of the Regulations for the Registry of Public and Private Issuances, a check will be issued in the name of a banking institution in the Republic of El Salvador, or a proof of payment in BTC addressed to the National Digital Assets Commission, for the amount corresponding to the requested issuance, which constitutes the registration fee associated with the issuance of the digital asset \$CEDRO 1.

6. DETAILED DESCRIPTION OF RISKS

Investing in \$CEDRO 1 tokens comes with significant risks that investors should carefully evaluate before making investment decisions. The risks identified have been categorized into five main groups, each with specific characteristics that may impact investment performance in a differentiated manner. The materialization of one or more of these risks could result in partial or total losses of the invested capital.

6.1 TECHNOLOGICAL RISKS

Vulnerabilities in Smart Contracts

\$CEDRO 1 tokens are fundamentally dependent on smart contracts implemented on the Polygon blockchain. Although these contracts have been audited by specialized firms, there is a residual risk of undetected vulnerabilities that could be exploited by malicious actors. Potential vulnerabilities include programming errors, faulty logic, or race conditions that could allow unauthorized access to critical contract functions.

The materialization of this risk could result in the total or partial loss of the tokens, manipulation of balances, or compromise of the mechanisms of distribution of returns. While audits significantly reduce this risk, the immutable nature of smart contracts means that remediation requires complex migration processes that may not be technically feasible in all scenarios.

Risks of the Underlying Blockchain

Polygon's reliance on the blockchain introduces risks related to the underlying infrastructure. These risks include network congestion that could increase transaction costs or lead to processing delays, failures in consensus mechanisms that could temporarily disrupt operation, or changes to the protocol that could affect smart contract compatibility.

Additionally, as Polygon operates as a Layer 2 solution for Ethereum, there is dependency on the stability and continuity of both networks. Significant issues in Ethereum could indirectly impact the operation of Polygon and, by extension, \$CEDRO 1 tokens.

Cybersecurity Risks

Technology infrastructure is exposed to cybersecurity threats that include attacks targeting custodial systems, private key compromise, denial-of-service attacks, or infiltration of management systems. Although Fireblocks is used as an institutional

custodian with high security standards, no system is completely immune to sophisticated attacks.

Cybersecurity risks also encompass user-level threats, such as phishing, malware, or social engineering attacks targeting token holders. These attacks could result in the compromise of individual wallets or access credentials to trading platforms.

Technological Obsolescence

The rapid evolution of blockchain technology introduces obsolescence risks that could affect the long-term operation of tokens. Changes in technical standards, development of new superior technologies, or modifications in market preferences could reduce the compatibility or usefulness of the current implementation.

This risk is particularly relevant considering the 10-year time frame of issuance, during which significant technological developments are likely to occur that could require complex technical upgrades or migrations.

6.2 MARKET RISKS

Real Estate Market Volatility

The value of the underlying asset is directly correlated with the performance of the Salvadoran real estate market. Fluctuations in land prices can be significant and are influenced by macroeconomic factors, government policies, demographic changes, and specific local market conditions.

Real estate volatility can manifest itself in prolonged cycles of appreciation or depreciation that affect the issuer's ability to monetize the land bank on favorable terms. During periods of housing market depression, land sales could require significant discounts or extended terms that negatively impact investor returns.

Lack of Liquidity in the Secondary Market

The trading of the \$CEDRO1 tokens on the secondary market is subject to the express enabling of such market by the Issuer, once compliance with the Minimum Placement established in the Issuance Information Document has been verified, and in any event no later than month thirteen (13) from the issuance date. Accordingly, tokenholders should not assume the existence of immediate or continuous liquidity for the transfer or sale of their tokens. Even after the secondary market has been enabled, there can be no assurance that adequate levels of liquidity will develop, which may result, among other scenarios, in wide bid-ask spreads, limited trading volumes, or the absence of available counterparties to execute transactions at certain times. Limited liquidity is particularly problematic during periods of market stress, when investors might need to liquidate positions quickly. In such scenarios, token holders could be forced to accept significant discounts to the notional value of their holdings.

Counterparty Risk

The structure of the issuance introduces dependencies on multiple counterparties whose performance may affect the interests of investors. These counterparties include the PSAD administrator (FINTECH AMERICAS), the custodian (Fireblocks), potential land buyers, and financial institutions that provide complementary services.

The default or financial impairment of any of these counterparties could disrupt the normal operation of the issue, generate additional replacement costs, or result in direct losses. Although counterparties with strong reputations and financial capability have been selected, counterparty risk cannot be completely eliminated.

Geographic Concentration

The total concentration of the underlying asset in El Salvador exposes the investment to systematic country-specific risks. These risks include political instability, changes in economic policies, natural disasters, deteriorating public safety, or economic crises that disproportionately affect the local real estate market.

The lack of geographic diversification implies that adverse events in El Salvador will have a direct and significant impact on investment performance, with no possibility of offsetting through exposure to other geographic markets.

6.3 REGULATORY AND LEGAL RISKS

Changes in the Regulatory Framework

The regulatory framework for digital assets in El Salvador is relatively new and subject to continuous evolution. Changes in the Digital Asset Issuance Law, modifications in CNAD regulations, or new regulatory interpretations could significantly affect the structure, operation, or taxation of the issuance.

Regulatory changes could include new compliance requirements that increase operating costs, additional restrictions on the trading or transfer of tokens, or modifications in tax treatment that affect investors' net returns. In extreme scenarios, regulatory changes could make it unfeasible to continue the issuance in its current structure.

Legal Uncertainty

The innovative nature of the real estate asset-backed income token structure introduces elements of legal uncertainty related to the interpretation of rights and obligations in situations not specifically contemplated in the current regulation.

This uncertainty includes aspects such as the enforcement of rights of token holders in the event of issuer default, the applicability of traditional capital market regulations, or the resolution of conflicts between different regulatory frameworks that may be applicable simultaneously.

Compliance Risks

The operation of the issuance requires ongoing compliance with multiple regulatory frameworks, including digital asset regulations, capital markets regulations, real estate regulations, and anti-money laundering requirements. Failure to comply with any of these frameworks could result in regulatory sanctions, suspension of operations, or invalidation of the structure.

The compliance risks are particularly significant considering the complexity of the structure and the multiplicity of potentially applicable jurisdictions and regulatory frameworks, especially if the tokens are acquired by international investors.

6.4 OPERATIONAL RISKS

Dependence on the Sole Administrator

The management of INVERSIONES EL CEDRO, S.A. DE C.V. is concentrated in a Sole Owner Administrator, creating significant dependence on a single person for all strategic and operational decisions. The temporary or permanent disability of the administrator, whether due to illness, accident, or any other cause, could severely interrupt the operation of the land bank and the management of the investment portfolio.

This concentration of responsibilities also increases the risk of management errors, suboptimal decisions, or conflicts of interest that are not adequately identified or mitigated by independent internal controls.

Land Bank Management Risks

Successful land bank monetization requires specific expertise in real estate evaluation, transaction negotiation, market timing, and relationship management with potential buyers. Deficiencies in any of these areas could result in sales below market value, extended timelines for commercialization, or inability to identify the best monetization opportunities.

Operational risks also include aspects such as improper maintenance of the land, failure to comply with tax or regulatory obligations related to real estate, or loss of critical legal documentation.

Failures in Reporting and Distribution Processes

The structure of the issuance requires complex processes of calculating NAV, determining distributions, and reporting quarterly to token holders. Errors in these processes could result in incorrect distributions, inaccurate financial information, or failure to comply with transparency obligations to investors.

Failures in reporting processes could also lead to non-compliance with regulatory obligations, affecting the issuer's ability to maintain the necessary authorizations for the operation of the issue.

Business Continuity

The absence of detailed business continuity plans introduces risks related to the ability to maintain operations in the event of

disruptive events. These events could include natural disasters, economic crises, pandemics, or technological failures that affect the operational capacity of the issuer or its service providers.

6.5 FINANCIAL RISKS

No Guarantees of Performance

\$CEDRO 1 tokens do not provide minimum yield guarantees or fixed distribution schedules. Returns depend solely on the performance of the underlying asset and the issuer's discretion to make distributions. In adverse scenarios, investors may not receive distributions for extended periods or experience partial or total losses on their investment.

The cascade flow structure, although designed to protect investors, does not constitute a contractual guarantee of payment and is subject to the availability of sufficient flows generated by the underlying asset.

Issuer Credit Risk

Although the underlying asset is made up of tangible real estate assets, the ability of investors to benefit from these assets depends on the solvency and operational capacity of the issuer. The issuer's financial deterioration, whether due to mismanagement, adverse events, or external factors, could compromise its ability to meet obligations to token holders.

This risk is particularly relevant considering that investors have no direct control over the management of the underlying assets and no immediate recourse mechanisms in the event of an issuer default.

Inflation Risk and Purchasing Power

Although securities are denominated in U.S. dollars, inflation can erode the real purchasing power of the returns generated by investment. During periods of high inflation, nominal yields may not be sufficient to maintain the real value of the investment, especially considering the extended term of the issuance.

Reinvestment Risk

The flows generated during the exploitation phase will be reinvested in accordance with the established investment policy. There is a risk that the available reinvestment opportunities may not provide adequate returns, either due to adverse market conditions, limitations on the availability of attractive assets, or changes in investment conditions.

6.6 COMPREHENSIVE RISK ASSESSMENT

The comprehensive assessment reveals that the issuance of \$CEDRO 1 tokens presents a complex risk profile that requires careful consideration by investors. The risks identified are not independent and may interact in ways that amplify the adverse impact on investment performance.

The sectoral and geographical concentration of the underlying asset is a structural characteristic that increases the correlation between different sources of risk. Investors should evaluate whether this concentration is compatible with their portfolio diversification objectives.

The mitigation measures implemented provide partial protection against several of the identified risks, but do not completely eliminate the exposure. The effectiveness of these measures will depend on their consistent implementation and continuous monitoring of their operation.

Potential investors should consider these risks in the context of their investment objectives, risk tolerance, and financial ability to absorb potential losses. Investment in \$CEDRO 1 tokens should be considered as part of the category of high-risk alternative investments, appropriate only for sophisticated investors with adequate understanding of the risks involved.

6.6.1 Complementary Risk Analysis of the Investment Portfolio

The investment portfolio will be nourished by the surplus liquidity generated by real estate activity (rents, sales, etc.) with the dual objective of preserving capital and generating additional returns for token holders. The risks inherent in its management are detailed below:

Market Risk:

This risk refers to the possibility of losses due to factors that affect the overall performance of the financial markets.

Detail:

Asset Volatility: The value of portfolio instruments (e.g., stocks, ETFs, corporate bonds) will fluctuate daily. Abrupt market declines, driven by geopolitical or economic crises, would directly impact the value of the portfolio and, therefore, its ability to generate the expected returns for \$CEDRO 1.

Sensitivity to Interest Rates: If the portfolio invests in fixed income instruments (such as bonds), an increase in reference interest rates (by the Central Bank) will cause a fall in the price of existing bonds, generating unrealized losses.

Exchange Rate Risk: If investments are made in assets denominated in a currency other than that of real estate flows or distribution to tokenholders, exchange rate fluctuations can generate significant gains or losses.

Asset Correlation: In times of financial panic (e.g. "flight to quality"), assets that are not normally correlated can start to move in the same direction (downwards), canceling out the benefits of simple diversification.

Liquidity Risk:

This risk manifests itself in the inability to convert an asset into cash quickly without suffering a significant loss in price.

Detail:

Low Turnover in Secondary Market: Some assets, such as lower-rated corporate bonds or shares in private equity funds, may have a shallow secondary market. Selling them under pressure could force a sale at "punishment" prices.

Mismatching: There is a critical risk if the maturities of investments (e.g., a 5-year bond) do not match the liquidity needs to pay periodic distributions (e.g., quarterly) to \$CEDRO 1 holders. This could force the premature sale of assets.

Credit Risk and Counterparty:

This risk encompasses the possibility that a debt issuer will default on its payment obligations or that a counterparty in a transaction will fail.

Detail:

Issuer Default Risk: If the portfolio invests in a company's bonds and it goes bankrupt, the investment could lose all or a large part of its value.

Counterparty Risk: It involves the solvency of the broker or the financial institution where the assets are held. A counterparty bankruptcy could complicate or impede access to portfolio funds.

Concentration Risk: Investing too large a portion of the portfolio in a single issuer, industry sector, or geographic region magnifies the negative impact if that issuer or specific sector suffers a crisis.

Operational Risk:

This risk stems from failures in internal processes, human error, system failures, or external events.

Detail:

Portfolio Management: Errors in the execution of buy/sell orders, a poorly implemented investment strategy by the manager, or inadequate supervision can lead to poor results.

Custody and Cybersecurity: Risk of asset theft due to hacking of the custodian's or manager's platforms. The security of access keys and authorization processes are critical.

Regulatory and Regulatory Compliance: Failure to comply with current regulations on investments, taxation or reporting can lead to fines, penalties and reputational damage that would affect confidence in the \$CEDRO 1 token.

Proposed Recommendations for Risk Mitigation and Control

For Market Risk:

Strategic Diversification: Maximum concentration limits will be established by asset class (e.g. no more than 60% in equities), by economic sector (e.g. no more than 20% in a single sector) and by individual issuer (e.g. no more than 5%).

Clear Investment Mandate: The types of assets allowed (e.g. only "investment grade" rated bonds, highly liquid ETFs) will be defined and speculative derivatives or high-risk exotic assets will be expressly prohibited.

For Liquidity Risk:

Creating a "Liquidity Buffer": A minimum percentage of the portfolio (e.g., 10-15%) will be kept in highly liquid assets (cash, cash equivalents, or money market funds) to cover upcoming distributions and unforeseen operating expenses.

Maturity Analysis: A mapping of expected cash flows (real estate income and distribution payments) will be carried out to ensure that the maturity profile of the portfolio is aligned with liquidity needs.

For Credit Risk:

Credit Quality Criteria: A minimum credit rating requirement (e.g. BBB- or higher by S&P/Fitch) will be established for all fixed income investments.

Selection of Counterparties: It will operate only with first-level intermediaries and custodians, with high solvency and under strict regulatory supervision.

For Operational Risk:

Audits and Transparency: Annual external audits of both the portfolio and management processes will be carried out. In addition, periodic (quarterly) reports will be published for \$CEDRO 1 holders and the CNAD, detailing the composition of the portfolio, its performance and an updated risk matrix.

7. REASONED TECHNICAL OPINION AND CONCLUSION

7.1 PURPOSE AND SCOPE OF CERTIFICATION

The purpose of this certification report is to provide an independent, objective and professional evaluation of the issuance of \$CEDRO 1 tokens proposed by INVERSIONES EL CEDRO, S.A. DE C.V. This assessment covers the technical, financial, legal, operational and risk aspects associated with the issuance, in accordance with the standards established by the National Digital Assets Commission (CNAD) and the best international practices for digital asset certification.

The certification is based on the exhaustive analysis of the Relevant Information Document (DIR) submitted by the issuer, complemented by independent verifications where possible and necessary. The scope of the evaluation includes the legal structure of the issuance, the technical feasibility of implementation, the financial soundness of the proposed model, and the adequacy of investor protection measures.

7.2 POSITIVE FINDINGS (STRENGTHS)

Tangible Support and Solid Structure

The issuance of \$CEDRO 1 tokens is favorably distinguished by being backed by tangible real estate assets with verifiable intrinsic value. The land bank that constitutes the underlying asset provides a solid foundation for value generation, differentiating itself from many digital asset issuances that are not backed by real assets. The land has been identified, registered, and valued according to appropriate technical methodologies, providing transparency on the equity basis of the investment.

The legal structure for the assignment of economic rights is clearly defined and provides investors with a direct and proportional share in the flows generated by the underlying assets. This structure avoids the complexities of corporate holdings while ensuring clear and enforceable economic rights.

Issuer Experience and Trajectory

INVERSIONES EL CEDRO, S.A. DE C.V. brings more than 22 years of experience in the Salvadoran real estate market, providing

specific expertise in the management, valuation, and marketing of real estate assets. This experience constitutes a significant intangible asset that increases the probability of successful management of the land bank and the effective implementation of the monetization strategy.

The knowledge of the local market, the business relationships established, and the technical skills developed by the issuer provide competitive advantages that facilitate the identification of value opportunities and the execution of transactions under favorable conditions.

Favorable regulatory framework

The issuance is developed under El Salvador's pioneering regulatory framework for digital assets, which provides legal certainty and specific protections for investors. The Digital Asset Issuance Act (LEAD) and CNAD oversight create a favorable regulatory environment that facilitates financial innovation while maintaining appropriate standards of investor protection.

The authorizations obtained by the issuer as an issuer of digital assets, the PSAD administrator, and the certifier provide multiple layers of professional oversight that increase confidence in the structure and operation of the issuance.

Robust Technology Architecture

The technical implementation of the tokens uses proven technologies and recognized standards that provide security, scalability, and interoperability. The selection of Polygon as the underlying blockchain, the ERC-20F standard for tokens, and Fireblocks as the institutional custodian reflect sound technical decisions that minimize technological risks.

Smart contract audits, automated compliance controls, and implemented security measures provide multiple layers of protection that mitigate significant technical risks. The architecture demonstrates appropriate consideration of aspects such as scalability, regulatory compliance, and business continuity.

Investor Protection Structure

The issuance incorporates multiple mechanisms specifically designed to protect the interests of investors. Flow prioritization prioritizes the recovery of invested capital and the fulfillment of a target return before the issuer participates in extraordinary profits, aligning the incentives of all parties.

The minimum placement condition of 40% provides protection against non-viable issuances, ensuring that the issuance only proceeds if there is sufficient market interest. The \$150,000 operating reserve fund provides additional protection against operational risks during the first few years of operation.

Transparency and Governance

The quarterly reporting structure, regular calculation of the NAV, and publication of financial information provide superior transparency compared to many traditional real estate investments. Blockchain technology ensures full traceability of all transactions and distributions, facilitating auditing and regulatory compliance.

The liquidity mechanisms implemented, including secondary market and repurchase options, provide additional flexibility for investors compared to direct real estate investments.

7.3 CRITICAL FINDINGS (WEAKNESSES AND RISKS)

Risk Concentration

The total concentration of the underlying asset in the Salvadoran real estate sector constitutes a significant structural weakness that increases exposure to systematic country- and sector-specific risks. This concentration eliminates the benefits of geographic and sectoral diversification, exposing investment disproportionately to factors that affect the local real estate market.

The lack of diversification implies that adverse events in El Salvador or in the real estate sector will have a direct and significant impact on investment performance, without the possibility of compensation through exposure to other markets or economic sectors.

Operational Unit

The management of INVERSIONES EL CEDRO, S.A. DE C.V. is concentrated in a Sole Owner Administrator, creating significant dependence on a single person for all critical decisions. This concentration increases operational risks related to business continuity, the quality of management decisions, and the ability to respond to adverse events.

The absence of more robust corporate governance structures, such as independent boards of directors or oversight committees, limits internal controls and independent management oversight.

No Warranties

Tokens do not provide guarantees of minimum return, fixed distribution schedules, or protection of invested capital. Returns depend solely on the performance of the underlying asset and the issuer's discretion to make distributions, introducing significant uncertainty about investment results.

The cascade flow structure, although designed to protect investors, does not constitute a contractual obligation to pay and is subject to the availability of sufficient flows generated by the underlying asset.

Limited liquidity

Although a secondary market will be set up, there is no guarantee that sufficient liquidity will be developed to facilitate transactions on concessional terms. The specialized nature of tokens and the limited size of the digital asset market in El Salvador can result in restricted liquidity, especially during periods of market stress.

Regulatory Risks

The evolving nature of the regulatory framework for digital assets in El Salvador introduces uncertainty about possible changes that may affect the structure, operation, or taxation of the issuance. Adverse regulatory changes could increase operating costs, restrict the trading of tokens, or make it unfeasible to continue the issuance in its current structure.

Structural Complexity

The combination of real estate, financial, and technological elements in a single structure introduces complexities that can be difficult to fully assess by non-specialist investors. This complexity increases the possibility of misunderstandings about the rights and risks associated with investing.

7.4 COMPLIANCE ASSESSMENT

The evaluation of compliance with the Salvadoran regulatory framework reveals that the issuance has been structured with appropriate consideration of the applicable legal requirements. The issuer has obtained the necessary authorizations from the CNAD, has implemented KYC/AML compliance procedures, and has established reporting mechanisms that facilitate regulatory oversight.

The classification of the token as a "Revenue Token" is appropriate and consistent with the established economic rights structure. The technical implementation incorporates controls that facilitate compliance with regulatory constraints, including geofencing and allowlists.

However, the innovative nature of the structure introduces elements of legal uncertainty that could require future regulatory clarifications. Investors should consider the risk that future regulatory interpretations may differ from current assumptions about the legal treatment of the structure.

7.5 TECHNICAL CONCLUSION

Based on the thorough analysis conducted, the \$CEDRO 1 token issuance presents a structurally sound investment proposition that combines tangible assets with innovative technology under a favorable regulatory framework. The issuer's experience, the technical robustness of the implementation, and the investor protection measures constitute significant strengths that support the viability of the issuance.

However, the concentration of risks, the absence of collateral, and structural complexity introduce elements of risk that require careful consideration by potential investors. These risks are inherent in the innovative nature of the structure and do not constitute

deficiencies in the design or implementation of the issuance.

The issuance is appropriate for sophisticated investors who understand the risks associated with alternative investments and who seek exposure to real estate assets through a tokenized structure. Investors should carefully assess whether the risk-return profile of the issuance is compatible with their investment objectives and risk tolerance.

7.6 RECOMMENDATIONS

For the Issuer: - Consider the development of more robust corporate governance structures that reduce reliance on the Sole Administrator - Implement detailed business continuity plans that ensure continued operation in the event of disruptive events - Maintain proactive communication with investors about the performance of the underlying asset and material changes in the operation

For Investors: - Conduct independent due diligence on the Salvadoran real estate market and the prospects for appreciation of the underlying assets - Evaluate the issuance as part of a portfolio diversification strategy, considering its sectoral and geographic concentration - Continuously monitor regulatory developments that may affect the operation of digital assets in El Salvador

For the Market: - Develop additional liquidity mechanisms that facilitate the secondary trading of specialized tokens - Establish reporting and transparency standards that facilitate the benchmarking of different digital asset issuances

7.7 FINAL OPINION

Based on the technical, financial, legal, and risk analysis carried out, and considering both the identified strengths and the weaknesses and risks inherent to the structure, **IT IS CERTIFIED FAVORABLE** that the issuance of \$CEDRO 1 tokens by INVERSIONES EL CEDRO, S.A. DE C.V. complies with the technical, legal, and operational requirements established in the Salvadoran regulatory framework for digital assets.

This certification is issued with the following considerations:

1. **The issuance has solid fundamentals** backed by tangible assets, issuer experience, and robust technological architecture.
2. **The risks identified are significant** but appropriate for the type of investment proposed and have been adequately disclosed.
3. **The structure is appropriate for sophisticated investors** who understand the risks associated with alternative investments.
4. **Regulatory compliance is adequate** in accordance with the current legal framework, although subject to future regulatory developments.
5. **The protective measures implemented** provide appropriate safeguards, although they do not completely eliminate the risks inherent in the investment.

This certification does not constitute an investment recommendation or a guarantee about the future performance of the tokens. Potential investors should conduct their own risk assessment and consult with qualified financial advisors before making investment decisions.

DIGITAL ASSETS SOLUTIONS, S.A. DE C.V.

Digital Asset Certifier CERT-0004



César Augusto Castillo Guevara
Legal Representative

DIGITAL ASSETS SOLUTIONS, S.A. DE C.V.



Digital Asset Certifier CERT-0004

Place and Date: San Salvador, El Salvador, December 3, 2025

Certifier's Note on Version 2 of the IDC

In consideration of the Material Fact Notice published by the Issuer, it is hereby stated that this Continuous Disclosure Document corresponds to Version 2 of the IDC, which incorporates certain clarifications and adjustments to the operational and disclosure framework originally approved.

From the Certifier's perspective, the changes introduced through this update respond to reasonable technical and operational criteria and are considered appropriate and conducive to the sound development of the issuance, as they enhance regulatory clarity, process traceability, financial transparency, and the proper execution of the underlying project.

It is further noted that such modifications do not result in any material or substantial adverse impact on the economic rights, financial conditions, or reasonable expectations of the current holders of the \$CEDRO1 Tokens, nor do they alter the nature of the asset, its risk profile, or the cash flow distribution scheme previously disclosed.

Accordingly, having reviewed the adjustments incorporated in Version 2 of the IDC, the Certifier concludes that the issuance maintains its structural consistency, its alignment with the Issuance Information Document and the applicable regulatory framework, and therefore the opinion previously issued remains favorable.

IMPORTANT NOTE: This certification report has been prepared based on the information provided by the issuer as of the date of its preparation. Any material changes in the conditions, structure, or information of the issue after this date could affect the conclusions contained in this report. Investors should verify that the information contained in this report remains current when making investment decisions.

