



CAPTURING VALUE IN A DIGITAL WORLD

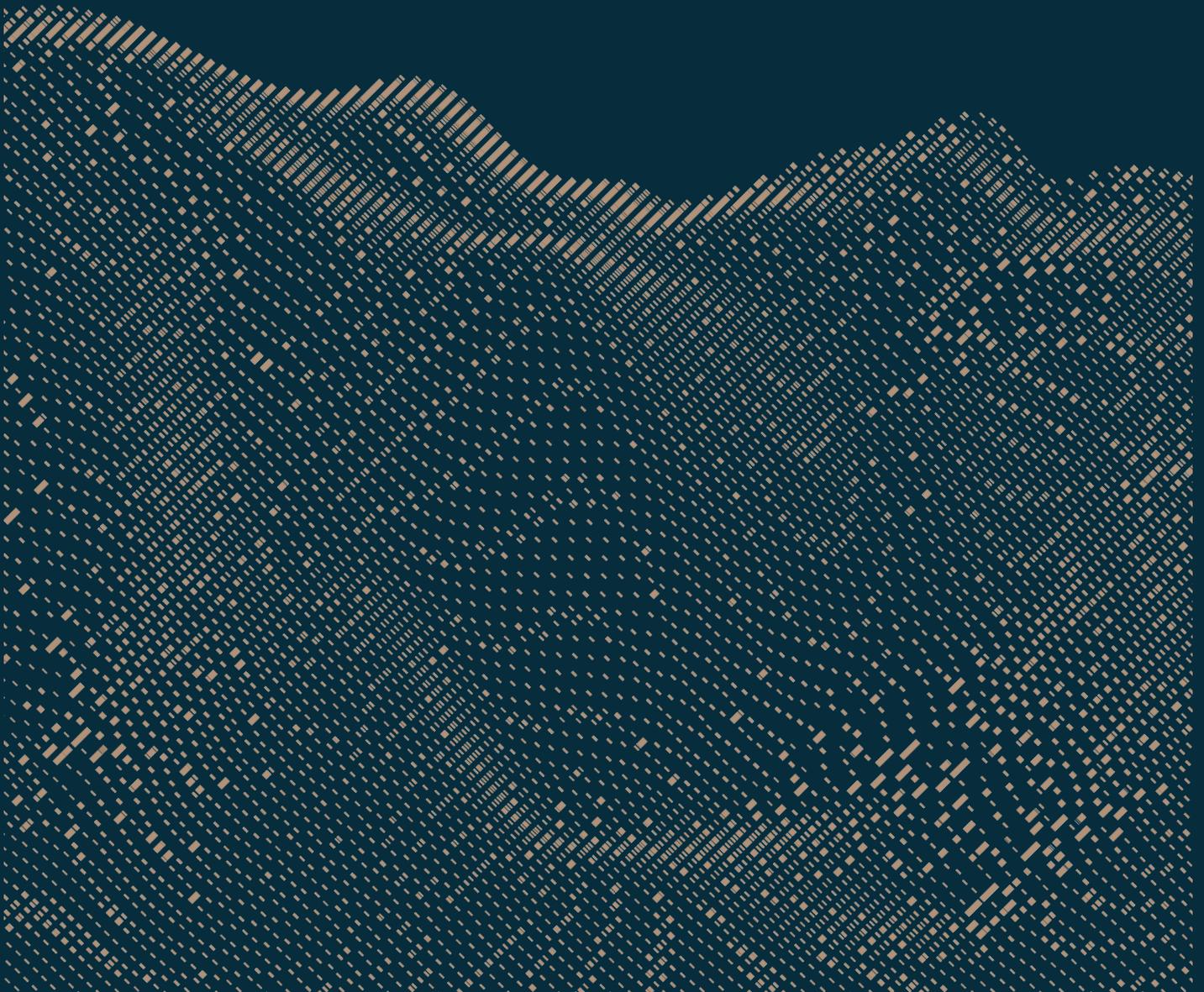


TABLE OF CONTENTS

IMPORTANT NOTICE	3
1. SUMMARY	4
2. THE AKJ ECOSYSTEM – OVERVIEW	9
3. INFRASTRUCTURE – THE LEGAL & REGULATORY FOUNDATION	12
4. TRADING & SYSTEMS – THE TRADING INFRASTRUCTURE	14
5. AKJC PLC	16
6. AKJ DIGITAL ASSETS FOF – THE FUND OF FUNDS	21
7. AKJ NEXGEN	23
8. RISKCAP	24
9. DECENTRALISED FINANCE	25
10. ARTIFICIAL INTELLIGENCE (AI)	26
11. AKJX	27
12. SECURITY TOKEN OFFERINGS	34
13. AKJ PROTOCOL AND PROTOCOL TOKEN	38
14. ROADMAP	43
APPENDIX A DIRECTORY	45
APPENDIX B KEY DEFINITIONS	47
APPENDIX C FURTHER IMPORTANT INFORMATION AND RISK DISCLOSURES.....	51

IMPORTANT NOTICE

This Whitepaper relates to the sale of AKJx issued by AKJc plc (“AKJc”). AKJc has issued AKJx as a financial instrument for capturing value within the AKJ Ecosystem and aligning the interests of all parties by enabling sharing of a portion of its Net Revenues and providing exposure to the digital assets sector.

This Whitepaper is intended to contain all the necessary information to enable investors to make an informed assessment of financial prospects of AKJx.

In relation to the information in this Whitepaper, AKJc and the Directors, whose names are set out at Appendix A (Directory):

- believe the information (excluding opinions, views and forecasts) is true;
- believe, based on data available at the date of this document, that any opinions, views and forecasts contained in such information are honestly held; and
- believe the information does not deliberately omit any material matter of which they are aware which makes such information, to their knowledge, inaccurate or misleading.

However, neither the Directors nor AKJc can guarantee the accuracy of statements made or conclusions reached in the Whitepaper.

AKJx may only be subscribed for by a Professional Investor - see Appendix B (Key Definitions). Further restrictions are referred to in Appendix C (Further Important Information and Risk Disclosures).

Investments related to the future of emerging financial technologies based on secure distributed ledgers similar to those used by cryptocurrencies and other crypto assets can be extremely volatile which means they are vulnerable to dramatic changes, so whilst they may go up significantly in value, they could also severely drop meaning a loss of capital. Past performance does not necessarily give a guide to the future. Investments in AKJx are not protected by financial compensation schemes and therefore you could lose all the money you invest.

This Whitepaper replaces any and all versions of offers for sale of AKJ Token or AKJx that have been previously issued.

Further Important information and risks are highlighted at Appendix C (Further Important Information and Risk Disclosures) but such Appendix, which should be reviewed prior to considering an investment in AKJx, is not comprehensive and independent legal advice should be sought if potential investors are unclear about any aspect of the offering.

Please note that words and phrases used in this Whitepaper have the meanings set out in Appendix B (Key Definitions).

1. SUMMARY

1.1 Introduction to the AKJ Ecosystem

The AKJ Ecosystem redefines the means for capturing value within a digital world. AKJ Group provides a turnkey ecosystem for crypto hedge fund managers and institutional investors. Driven by AKJx, a market-leading crypto fund of funds, an award-winning hedge fund platform, and our initiatives within decentralised finance (DeFi) and automation/artificial intelligence (AI), the ecosystem has generated significant scale since its inception in 2016. We are now poised to be heavily involved in disrupting the financial services industry, only beginning with asset management, and thereafter using DeFi and AI to change banking services, one by one.

1.2 The AKJ Ecosystem offers:

- a tier-one legal and regulatory solution for crypto hedge funds, with an infrastructure designed to offer a bridge to the traditional regulatory universe (Infrastructure);
- an institutional-grade environment for secure trading, settlement and storage, enabling hedge fund managers to manage crypto assets easily and efficiently (Trading & Systems);
- access to a fund of funds (AKJ Digital Assets FoF) which:
 - offers its investors managed exposure to cryptocurrencies and other blockchain-based investments through investments into qualifying funds; and
 - provides capital to selected managers on the AKJc Platform;
- direct exposure for investors and fund managers to all levels of revenue growth and/or capital appreciation on the AKJc Platform (AKJx); and
- an optimal venue for the development of DeFi and AI components as the crypto industry evolves, with the benefits to be shared with AKJx holders (the open AKJ Protocol).

1.3 Progress to Date: the numbers

Development of the AKJ Ecosystem was initiated in 2016, launched with live clients in 2018, and is today the leading crypto fund ecosystem of its kind in Europe.

Results to date can be summarised as follows (all figures as of 30 September 2024 unless otherwise stated):

Ecosystem

- 114 staff (including about 35 fund managers) organised in 3 main crypto hubs.
- 4 fully regulated companies (FCA x 2, MFSA, NFSA).
- Acquisitions of 3 businesses over the past 36 months (vertical integration).

- Winner of the HFM European Services 'Best Hedge Fund Platform' awards in 2016, 2017, 2018, 2019, 2021, 2022, 2023 and 2024.

AKJ Digital Assets FoF (fund of funds)

- #1 ranked performance of FoF amongst a global peer group of 700+ funds (2019, 2020, 2021, and on a cumulative basis since inception) - as established and tracked by Eurekahedge.
- 1,148% cumulative return from inception in January 2019 through September 2024

Hedge Fund Platform

- In 2024 assets in the AKJ Ecosystem exceeded \$1.5 billion* in total.
- As of 30 September 2024 there were 36 live funds:
 - 16 traditional funds; and
 - 20 crypto funds;
- A significant onboarding pipeline of top-tier fund managers with another 7 funds in legal stages working towards going live.

AKJx

- Approximately US\$30 million raised to date from the sale of AKJx.

** Includes both crypto assets and traditional assets, and includes assets in AKJ's prime brokerage and custody accounts but omits the approximately \$10 billion of assets of clients where AKJ Group provides services but does not hold their assets. Traditional funds in the AKJ Ecosystem have the benefit of securing necessary regulatory components and are expected to become tokenised or otherwise contribute to the AKJc Platform over time, with income to be shared with AKJx holders at the time of tokenisation.*

1.4 Vision

AKJ Group, with its crypto ecosystem and other recent acquisitions, aims to become a leader in the crypto financial industry within a decade. We believe all securities, in time, will become digital. As regulation evolves and trading infrastructure improves in terms of security, performance, products and liquidity, new digital assets will emerge and institutional capital will continue to move in on an ever-increasing scale. We intend to consolidate the AKJ Ecosystem's position as *the* go-to destination where hedge fund managers and institutional investors interface. Funds enjoy institutional grade access to crypto markets. AKJx holders gain optimised, risk-mitigated, highly diversified access to the rapidly ascending crypto economy.

As markets become blockchain-based and decentralised, the asset management industry has become ripe for fundamental rebuilding, driven by smart contracts rather than multiple, inefficient layers of human control and oversight. Over time, we intend to leverage the first phase of growth to progressively disrupt other sectors of the financial marketplace.

In three main evolutionary stages, the AKJ Ecosystem aims to:

- capitalise on its status as the go-to ecosystem for fund managers, as traditional hedge funds evolve to become digital asset hedge funds;
- leverage that position to establish new standards for using disruptive on-chain asset management technology and supporting the building of open-access, AI-enabled financial infrastructure; and
- increase the scope of this decentralised finance (DeFi) platform and expand to disrupt the overall financial industry, as the traditional financial marketplace transforms in the wake of digitisation of assets.

The ecosystem parent token, AKJx, is designed as a security to capture the value created throughout these stages, offering a stake in the digital disruption that is coming to the financial industry, and the immense opportunities it offers. It is planned that AKJx holders will receive their proportional interest in downstream token projects, such as a potential AKJ Protocol Token, that will support future DeFi components in the ecosystem.

1.5 The Team

The AKJ Ecosystem is managed by the AKJ Group (being AK Jensen Group Limited and AKJt Holdings Limited and their subsidiaries).

The AKJ Ecosystem includes the foremost crypto hedge fund team in the industry today. Detailed management and development team biographies may be found below.

Anders Kvamme Jensen*: Founder and Chairman. Anders works closely with the subsidiaries on both strategic and financial matters. He has been instrumental in attracting, training and motivating top global talent to AKJ Group, which since its inception has developed strategies to enable the company to deliver continuous growth. Anders is a director of AK Jensen Group Limited and AKJt Holdings Limited.

Anders earned a degree in business administration and finance from the University of Denver in 1992 and subsequently dropped out as a special student from Harvard University before establishing the US FINRA brokerage AK Jensen Inc. in 1995.

In 1998, in partnership with Leif H. Olsen, former Chief Economist of Citibank, he founded the AKJ Hedge Fund. In 1999, he formed the group company AK Jensen Group Limited and in 2020 the fintech holding company AKJt Holdings Limited.

Neal Mitra*: CEO Crypto Hub. Neal joined AKJc in 2018 as Chief Administration Officer and was promoted to CEO in 2019.

Prior to AKJ, he was Managing Director at Argon Group, the investment bank focused on digital assets and the token-based capital markets. His previous experience includes roles in venture capital and private equity. Neal began his career as a management consultant with McKinsey & Co and Monitor Company, working in the US, Europe and Southeast Asia.

Neal holds S.B. and S.M. degrees from MIT and an MBA degree from Stanford University Graduate School of Business.

Oskar Åslund: Chief Strategy Officer. Oskar was co-founder of Blockchangers AS, a leading blockchain firm in Oslo, and is a public speaker on the technology. He joined AKJ in 2017 as a strategic developer of the AKJc Platform. In 2023 Oskar was promoted to his current position as Chief Strategy Officer.

Oskar holds a Master's degree in Innovation Studies from the University of Oslo, with a dissertation on the use of blockchain technology in the financial sector.

Sean Fitzgerald: CEO Platform. Sean has a long history with AKJ Group, having previously spent 15 years with us when he served as CEO of both AK Jensen Limited and AK Jensen Investment Management. His extensive experience and deep understanding of our operations make him a trusted leader within our organisation. In 2024, Sean rejoined AKJ as Platform CEO, where he now oversees all brokerage and fund management activities.

Before returning to AKJ, Sean spent three years at Quantum Financial Holdings, a fintech incubator, where he served as Group COO and Head of Compliance, as well as CEO for Verve, a cashback platform and Quantum portfolio company. Sean's career began in New York at Citibank in 1991, after which he transferred to London in 1998 with Instinet UK and held various roles in portfolio trading sales there, as well as later at Bear Stearns International.

Sean holds an MBA in Finance from Columbia Business School and a BS in Marketing from Rutgers College. He was previously a member of the CFA Institute and CFA UK and held both the CFA and CIPM designations.

Gunnar Detlie: CEO Infrastructure Hub. Gunnar is the co-founder of AKJ NexGen Management Limited and Riskcap International Limited, and Partner/Group COO at FMG (Malta) Limited. He began his career at Avanse Forvaltning AS (now DnB Asset Management) and then became Head of Trading at E*Trade before joining FMG Fund Managers, a specialist hedge and emerging market manager.

Gunnar holds a M. Phil degree in International Finance from the University of Glasgow and a BBA in Finance from the Norwegian Business School, as well as Executive Programs at INSEAD and Norwegian Business School.

Oyvind Pedersen Jr: Chief Product Officer. Oyvind joined AKJ in 2020 with extensive experience as a crypto professional working with disruptive technologies and fintech start-ups. Prior to AKJ, Oyvind was Head of Product and Business Development at Norwegian Block Exchange (NBX) where he developed the Nordics' premier regulated fiat-to-crypto exchange and custodian solution. His previous experience also includes management positions at mobile operator Telenor Group, where he served as Director of Global Partnerships.

Oyvind holds BA degrees from BI Business School and INSEAD.

Biographies on the full management team may be found at www.akj.com.

AKJ Ecosystem team members: 114

*Directors of AKJc

2. THE AKJ ECOSYSTEM – OVERVIEW

The AKJ Ecosystem provides a turnkey operating platform for crypto hedge fund managers and multi-layered access into the crypto economy for institutional investors. Capital that flows into the ecosystem is used to generate returns, from both business operations and returns from investments of excess funds, that are then shared with owners of AKJx. As the ecosystem grows in size and scale, more of its returns are expected to be shared (both in percentage and absolute terms) with AKJx owners as certain milestones are achieved.

2.1 Ecosystem Components

The AKJ Ecosystem comprises:

AKJ Infrastructure (or “Infrastructure”) – the legal and regulatory infrastructure for crypto hedge funds. This solution meets all the needs of a fund manager setting up and running a hedge fund in today’s regulatory environment with selected specialist providers, allowing the manager to focus on investors and performance. Day-to-day administration is largely handled by AK Jensen Investment Management Limited and AK Jensen Limited (both regulated by the UK’s FCA), FMG (Malta) Limited (Malta FSA), and AK Jensen Norway AS (Norwegian FSA) through service agreements.

AKJ Group funds are registered, notified or licensed in the Cayman Islands, Malta, or Luxembourg and are either traditional (non-crypto) funds or crypto funds. Traditional funds add to regulations and scale and contribute to the ability to service and maintain crypto funds. It is expected that each traditional hedge fund asset will eventually convert to a crypto asset, which will increase the Shareout provided to AKJx holders.

AKJ Infrastructure will be the issuer of new fund portfolios on the decentralised finance (“DeFi”) platform, or protocol, and provide off-chain regulatory oversight, as investment manager, over fund operations. On the DeFi platform, AKJ Infrastructure will utilise smart contract-based fund operations that control aspects like access rights, market and asset access controls, strategy and risk controls, asset value calculations and fund share calculations.

AKJ Trading & Systems (or “Trading & Systems”) – institutional-quality services for trading, settlement and storage, enabling hedge funds to manage and trade in digital assets. These services provide a unified interface with integration to multiple exchanges, and access to selected custody services and wallets. Trading & Systems offers human support and enables extended capabilities and customisations to its core functionality, empowering sophisticated hedge fund clients.

Together, Infrastructure and Trading & Systems comprises the AKJ platform.

As of the date of this document there are 36 live funds on the platform with another 7 funds in legal stages working towards going live. We expect to open two new funds a month in 2025.

AKJc plc – a subsidiary of AKJt Holdings Limited and the issuer of AKJx. AKJc provides specialised knowledge to stakeholders and clients of the AKJc Platform, and manages development of new features, functionality and components in the ecosystem.

AKJ Digital Assets FoF IC Sicav plc – the ecosystem fund of funds (also referred to herein as the “FoF” or “AKJ Digital Assets FoF”) which intends to primarily invest in qualifying funds on the AKJc Platform. Proceeds from sale of AKJx have been used to fund the growth of various AKJ Group subsidiaries in crypto activities with excess cash temporarily placed as part of a treasury function within the FoF while it awaits deployment for specific use to help build the AKJ Ecosystem. The FoF offers access to capital appreciation from managed exposure to digital assets, generated by selected managers. Since the FoF is regulated and investable for traditional investors, it provides a bridge between the fiat and crypto asset universes.

Since its launch, the FoF has repeatedly been ranked as the top performing fund in its peer group of 700+ funds, according to hedge fund database Eurekahedge. We successfully completed a beta program for providing FoF access to external investors and plan to do a broader rollout in 2025.

The FoF also operates a Capital Allocation Program, offering seed and accelerator capital to help attract top emerging managers to the AKJc Platform.

Investment in AKJx may qualify participants for a full waiver of all FoF fees (sales charge, exit fee (if any), management fee, and performance fee), showing how the ecosystem captures the value through AKJx and not through fiat revenues.

AKJ Digital Assets FoF is licensed as an alternative investment fund (Malta FSA).

AKJ NexGen – A separate business of AKJt Holdings Limited, AKJ NexGen Management Limited (“NexGen”) is a Cayman exempt manco that acts as an incubator for innovative crypto strategies and products in the AKJ Ecosystem.

RiskCap – a separate business of AKJt Holdings Limited, RiskCap International Ltd. (“RiskCap”) is a risk services provider that augments the ecosystem’s fund services product through a vertically integrated risk solution. RiskCap is also expected to form part of the ecosystem infrastructure that will support our DeFi strategies. RiskCap was acquired in Q1 2022 and services clients with approximately \$10 billion in assets as of Q3 2024.

AKJ Protocol – working project name of an open-source software platform (also referred to herein as the “Protocol”) that the AKJ Ecosystem is working towards developing and utilising in order to bring institution-grade fund and investor solutions to a fully decentralised environment. Benefits for fund managers and investors include operational efficiencies, significantly reduced costs and real-time valuations. AKJc will either sponsor the development of a new protocol or be a strategic contributor to an existing one.

AKJ Protocol Token – also referred to herein as the “Protocol Token”, this is the working project name of the token associated with the Protocol and will provide a means for capturing the value attributable to certain “utility drivers” across the ecosystem. As used in this whitepaper, “utility drivers” are defined as use cases where stakeholders are incentivised to buy and hold tokens in order to achieve a specific benefit.

Utility drivers captured by Protocol Token ownership can include use cases involving protocol participation, which may include fund management, investment into funds, protocol support and improvements, and liquidity mining. The Protocol Token aligns the interests of all protocol stakeholders while enabling participation by AKJx holders, through their receipt of any Protocol Tokens earned by AKJc or Affiliates, in all future value on the AKJ Protocol.

A detailed description of the Protocol and Protocol Token is provided in Section 13 (AKJ Protocol and Protocol Token).

AI – complementary technologies to automate existing “traditional” processes while working with blockchain infrastructure to improve the interaction between CeFi and DeFi components, all with the ultimate goal of migrating the ecosystem into a fully decentralised environment.

AKJx – All value is currently captured in the ecosystem parent token, AKJx (also referred to herein as the “Security Token”), offering a share of AKJc’s Net Revenues and utility benefits to ecosystem stakeholders. AKJx aligns the interests of all parties – fund managers, investors, employees, operators, developers and providers – and enables participation in all future value from AKJ Ecosystem growth and broader financial market disruption. AKJx is a transferable security sold under EU law to Professional Investors, with potential future public sales via a prospectus.

Discounted fees for funds holding at least 2% of their AuM in Security Tokens incentivises holdings, linking Security Token value to ecosystem growth and supporting the development of a secondary market with an installed base of active buyers. The waiver of fees for FoF investors making a qualifying investment in AKJx generates similar ecosystem benefits.

A detailed description of AKJx and Security Token Offerings are provided in Sections 11 (AKJx) and 12 (Security Token Offerings).

With scale, we aim to leverage the ecosystem and its installed client base and, over the long term, reduce if not eliminate trading costs entirely. In parallel, we seek to capture value through AKJx, resulting from increased traffic and incremental buyers.

Together, the legal/regulatory infrastructure and trading systems/services, the fund of funds, the risk management components, DeFi capabilities, AI and AKJx provide a tier-one, turnkey ecosystem for hedge funds and Professional Investors.

3. INFRASTRUCTURE – THE LEGAL & REGULATORY FOUNDATION

Hedge funds trading crypto assets are generally offered poorly structured, inflexible, and costly infrastructure platforms with low-end providers. Infrastructure allows start-up managers to initiate their business as if they were already in high demand, on a flexible and fully regulated platform, serviced by selected specialised providers. This turnkey solution lets the fund manager focus on performance and investors, leaving all day-to-day administration to specialists.

AKJ Group won the HFM European Services 'Best Hedge Fund Platform' Award in 2016, 2017, 2018, 2019, 2021, 2022, 2023 and 2024. Within the platform, all legal agreements dovetail into a fully integrated legal and regulatory structure, with all regulatory dealings managed by ecosystem specialists.

Ultimately, Infrastructure delivers to the fund manager two major benefits:

- (a) with an appropriate legal and regulatory umbrella – structured, managed and maintained by in-house specialists – the ecosystem funds are better positioned to attract sophisticated investors. As a fund grows, the structure is adaptable to meet the needs of institutional investors;
- (b) the platform approach results in low formation and ongoing costs for a tier-one fund structure. Infrastructure fees are fully transparent, all-inclusive, and allow a fund manager to start a hedge fund at a fraction of the cost and much faster than would be possible on a stand-alone basis.

The platform offers fund managers a well-established, 3-step fund development channel:

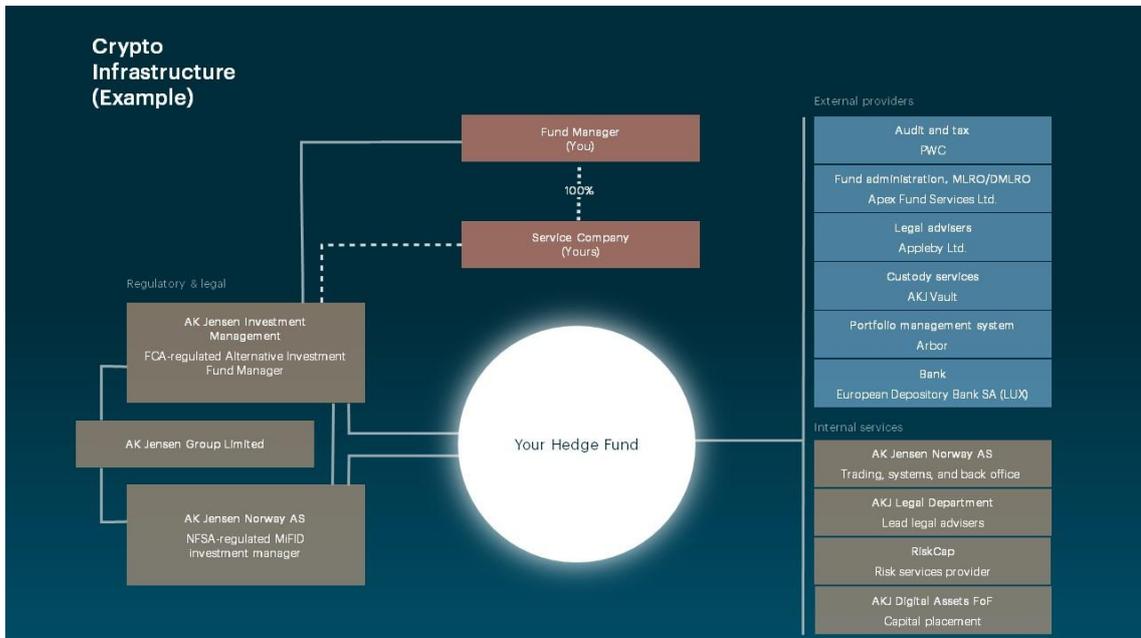
Step 1: With the assistance of an experienced team of experts, initiate the fund set-up, tailoring the offering documents, investment strategy and define the trading systems while negotiating investor commitments.

Step 2: With a finessed strategy and sufficient assets, launch a fund on the AKJc Platform. Aim to qualify for the FoF's Capital Allocation Program.

Step 3: With a sellable track record after 18 months, add necessary components onto the expanding Infrastructure and (when the EU agree to a custody solution for holding crypto assets) gain regulatory marketing rights throughout the EEA. Aim to qualify for the FoF's Capital Allocation Program. In short, the platform assembly line is seamless, non-disruptive, tier-one and consistent from initiation.

We believe many regulators and providers understand that ledger technologies and digital assets have the potential to reduce costs and deliver rapid innovation, transparency and fairer markets, and we are liaising with them to help determine appropriate levels of regulatory oversight and third-party services.

The graphic below shows the legal and regulatory infrastructure of a standard crypto fund on the AKJc Platform:



Hedge funds on the platform are domiciled in Cayman (offshore), and in Luxembourg and Malta (EU onshore). The fund structure differs from one fund to another and will evolve as the industry and regulations mature.

Net Revenues received by AKJc from Infrastructure are intended to be shared with AKJx holders as part of the Shareout.

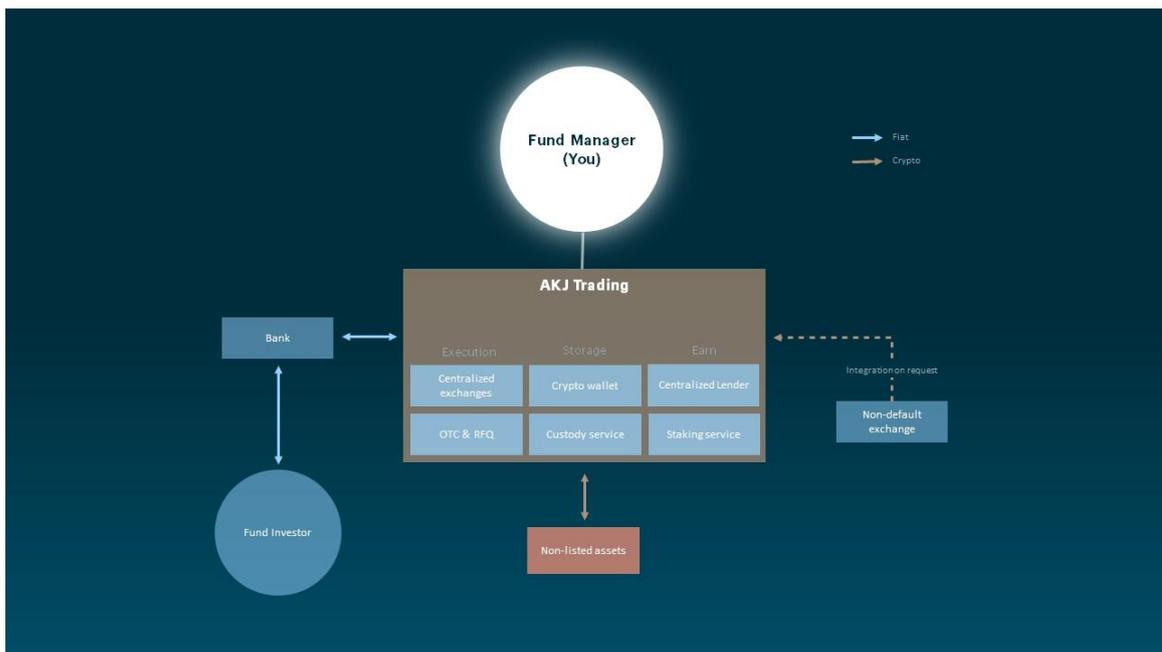
As business moves on-chain, we anticipate that Infrastructure services will scale rapidly and with significant operating leverage. AK Jensen Investment Management Limited, with its AIFM licence, will become the issuer of new fund “portfolios” on the protocol, where natively digital and tokenised assets will be managed.

4. TRADING & SYSTEMS – THE TRADING INFRASTRUCTURE

Since 1999, AKJ Group subsidiaries have offered an institution-grade trading infrastructure to banks, brokerages and hedge funds. Their service and systems are used by institutional clients in 35 countries for order routing, connectivity and execution, and recognised as one of the most rapid, efficient and stable systems in the industry. The system is scalable and flexible, and its back-end delivers customised reports.

Trading & Systems is the solution for trading and management of digital assets, integrated with the ecosystem's institutional systems. The trading infrastructure provides multi-exchange connectivity and access to custody services and external wallets.

The solution combines a range of services and providers on a modular basis. Highly adaptable, it has the flexibility to serve a wide variety of trading strategies, with the ability to accommodate extensive customisations to meet the needs of institutions and sophisticated hedge fund clients.



Trading & Systems includes a proprietary back-office system for data management and risk and data reporting.

Current connectivity includes leading exchanges in crypto and traditional markets. Existing functionality will be enhanced by new ways of aggregating accounts including pooled, cost-efficient offerings such as staking services, prime broker services, and short-term loans where assets are transferred on-chain between exchanges.

Development and design of Trading & Systems will evolve over two main periods:

<3 years: Ongoing development progress aligned with the evolution of the crypto economy and the capacity of the blockchain and provider systems. Trading & Systems plugs in to other systems, exchanges and providers, enabling its hedge funds to manage and invest in digital assets through the most secure and efficient systems in the market at any time.

AKJc's revenues from Trading & Systems to be shared with Security Token holders in the first period include transaction, storage, system, financing and conversion fees.

>5 years: When the capacity of the crypto economy allows, we intend to leverage the AKJ Ecosystem's scale, liquidity and volume to remove intermediaries, reduce if not eliminate fees, and capture value through AKJx and revenues from the FoF, rather than through transaction income.

Trading & Systems for crypto was initiated in 2017.

AKJc's Net Revenues from Trading & Systems are intended to be shared with AKJx holders subject to the approval of the Board of AKJc.

5. AKJC PLC

5.1 Overview

AKJc plc (“AKJc”) was created to drive the development and implementation of commercial activities within the digital assets sector. AKJc is the architect of the AKJ Ecosystem and the issuer of AKJx. It is also the sponsoring entity behind the Protocol and the separate Protocol Token that will fuel our activities within decentralised finance. Specific activities include operational matters such as product sales, assessment and integration of third-party providers, review of operations, and analysis of new assets, as well as strategic initiatives such as support for decentralised services. Any regulated activities are carried out by regulated providers, typically from within the AKJ Ecosystem for functions such as brokerage and investment management. Additional services provided by AKJc include:

- provision of services related to the establishment of funds which intend to use the AKJc Platform;
- capture of market opportunities and building of a long-term strategy for parties within the digital assets industry;
- development and implementation of new features and functionality in the AKJ Ecosystem;
- design, development and commercialisation of new opportunities within crypto;
- development and oversight of AKJx; and
- design, development and oversight of AKJ Protocol and AKJ Protocol Token to support our presence in DeFi.

AKJc is the issuer of AKJx, which fuels the AKJ Ecosystem by providing a range of utilities across stakeholders that incentivise ecosystem participation and loyalty. AKJc also acts as the sponsoring launchpad of the AKJ decentralised asset management protocol, with its portion of Protocol Tokens to be shared proportionally with AKJx holders.

5.2 Objectives and Business Strategy

We seek to fortify the AKJ Ecosystem’s position as a premier destination for outstanding crypto hedge fund managers seeking a turnkey solution for the development, launch and oversight of a fund trading in digital assets. Since inception the AKJ Ecosystem has been rapidly expanding its roster of fund clients and client assets under management. Funds raised through the sale of AKJx have been used primarily in the development of the AKJ Ecosystem.

AKJx holders are intended to participate in the growth of the AKJ Ecosystem through a “Shareout” of a pre-defined portion of “AKJc’s Net Revenues” (both terms as defined in Appendix B (Key Definitions)).

We intend, subject to compliance with applicable regulations, to:

- (a) increase the Shareout percentage over time, based on thresholds as defined within this Whitepaper; and
- (b) consider using a portion of the Shareout to purchase and burn a certain portion of AKJx.

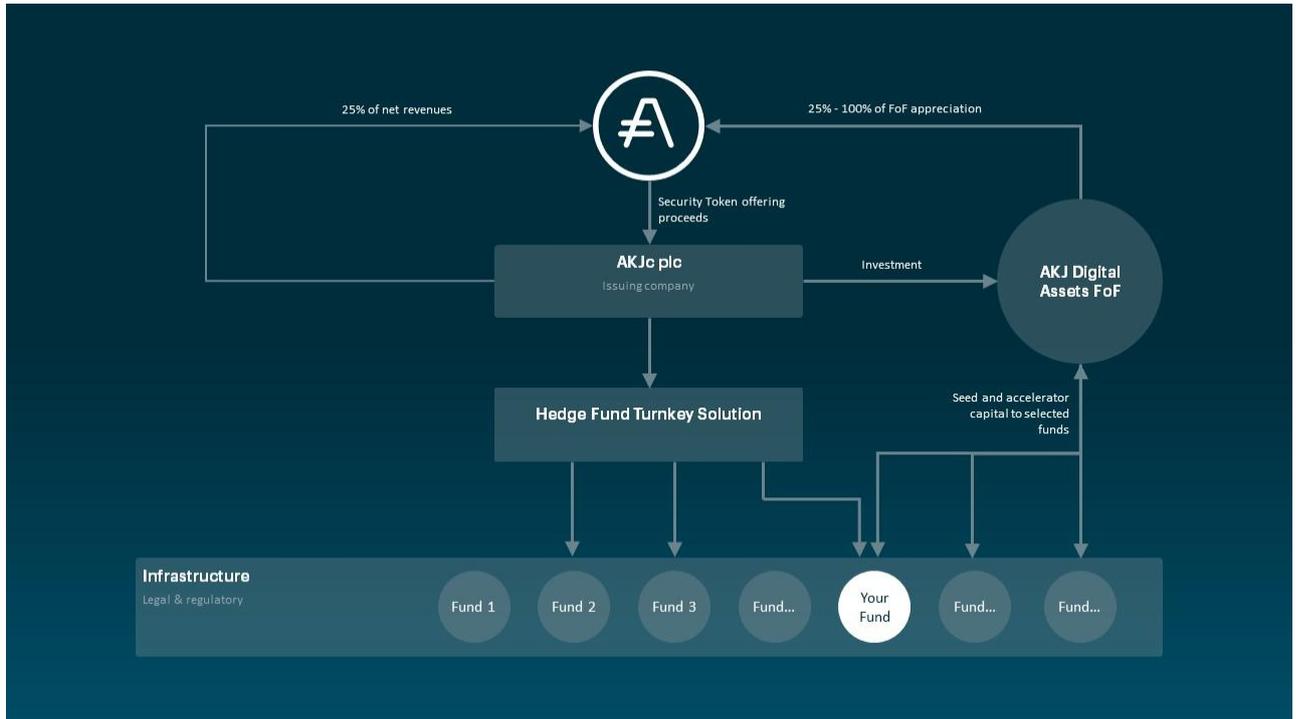
We are also focused on the development of token utilities, whereby stakeholders receive value for holding AKJx. These mechanisms are expected to create strong demand drivers for AKJx that will only increase as the number of clients (funds, FoF investors) and size of client assets expand over time. AKJc has deployed two token utilities thus far, with each seeing adoption rates of at least 85%.

AKJc oversees the launch and development of crypto projects that will extend the reach of AKJ Ecosystem into new markets. Such projects include the development and launch of a decentralised protocol and associated token that is expected to deliver value to Security Token holders through their downstream ownership of Protocol Tokens. We anticipate generating DeFi token value through the implementation of DeFi token utilities that will impact all protocol users, not only AKJ Ecosystem clients. Additionally, a decentralised platform may serve to bring our expertise to a mainstream audience as well.

As seen in the diagram below, AKJc coordinates the provision of affiliated services from Infrastructure and Trading & Systems, as well as the investment of excess ecosystem funds into the FoF, which makes merit-based investments into ecosystem client funds.

5.3 AKJc Platform Overview

Each of these entities is described in greater detail in the following Sections.



AKJc has raised approximately US\$28 million of investment since the inception of the AKJc Platform. We expect the incremental cost of finishing the building out of the platform to be approximately \$3-4 million.

We believe that the legacy business and related expertise gives us a substantial advantage over both current and potential competitors who would have to commit considerably higher resources to develop a comparable knowledge base and operating platform with established clients, assets under management, rapid growth and industry-leading investment performance.

5.4 Future Opportunities

As with most radical changes, industry, scale and new technologies will bring new monetisation opportunities, many not currently standard or even imagined.

Our primary focus over the next five-year period will be on the hedge fund industry, and on establishing the AKJ Ecosystem as the crypto hedge fund ecosystem.

We then intend to leverage the ecosystem’s position to establish new standards for regulated companies to use disruptive on-chain asset management technology, AI and open-access financial infrastructure. Due to the composability of these technologies, it is natural to expand from this position into the broader financial markets, as it transforms in the wake of digitisation of assets and infrastructure.

Within the ecosystem today, we are actively seeding new sources of income. These include marketing programs for fund clients, incubation services for decentralised strategies, expected new token utilities and more vertically integrated product offerings. Given the speed with which DeFi and the digital assets space is evolving, however, we anticipate that new opportunities will continue to form and the scope of our work will continue to expand.

5.5 New Use Cases for Utility Drivers

We expect to develop an expanding library of utility drivers for AKJx and, as part of sponsoring an on-chain asset management protocol, assess potential utility drivers for its native AKJ Protocol Token. (As described later in this Whitepaper, the Protocol Token may be an existing DeFi token or a new one.) Utility drivers can include those listed below, as well as others. With an increasingly meaningful portion of AKJx holders (namely, the client funds and Professional Investors on the AKJc Platform) choosing to hold AKJx for its utility value (in order to receive discounted fees) in addition to its fundamentals, the potential exists for the value of AKJx to increase substantially over time. Similarly, we plan to design and implement utilities for ecosystem stakeholders that will be captured through the Protocol Token.

In general, utilities that are realised on each platform (e.g., the off-chain crypto fund platform or the DeFi protocol) will be captured by the token (either AKJx or AKJ Protocol Token) that is native to each. For off-chain utilities and discounts granted by AKJc and Affiliates, we will have the option to transition one or more ecosystem utilities from one platform to the other, provided that we believe such a change will serve the best long-term interests of AKJx holders, who will receive a proportional grant of Protocol Tokens earned by AKJc or Affiliates as sponsors of the Protocol.

5.6 Potential Future Utility Use Cases include:

(a) For the off-chain, centralised finance (“CeFi”) platform:

Use of AKJx as

- (i) an incentive for fund and investor clients to receive fee discounts;
- (ii) receive fee discounts within third party-operated crypto ecosystems; and/or
- (iii) a potential means of payment within AKJ Ecosystem

(b) For the on-chain, DeFi platform:

Use of AKJ Protocol Token as

- (i) a means for maintaining governance rights on the AKJ Protocol; and
- (ii) an incentive for fund and investor clients, non-AKJ clients and/or non-crypto fund managers to receive Protocol fee discounts.

AKJc will be a sponsoring organisation of an on-chain asset management protocol. The Protocol, whether new or the modified fork of an existing one, will be open source and serve to streamline the value chain for the asset management industry. The AKJ Ecosystem will, as the laws and regulations develop, provide oversight over relevant areas so that our DeFi fund clients are provided with a regulatory umbrella that is similar to that of our non-DeFi crypto clients. This combination of the traditional regulatory structure and on-chain operations will be unique in the industry and, together with AKJx-based ecosystem, is designed to provide us with a sustainable competitive edge.

Longer term, we anticipate formalising our existing industry relationships into a consortium that will build a permissioned DEX for institutional use. Similarly, we expect to launch other projects from the AKJ Ecosystem, providing improved and expanded client service while delivering additional sources of value to Security Token holders. AKJ Group has over 40 companies authorised, approved, registered or licensed with regulatory authorities, and as we develop and implement our plans we intend to work with and cooperate fully and openly with appropriate regulators and obtain, if and where required, further approvals and licences.

6. AKJ DIGITAL ASSETS FOF – THE FUND OF FUNDS

6.1 Introduction to the FoF

AK Jensen Investment Management Limited, as the initial AIFM¹, launched AKJ Digital Assets FoF in January 2019. The FoF acts as:

- a fund of funds, offering its investors managed exposure to crypto assets through investments into qualifying funds on the AKJc Platform;
- a vehicle with diversified crypto exposure that mitigates the risks and volatility of crypto trading, as well as the pitfalls of dealing with immature and unstable trading infrastructure; and
- the source for the Capital Allocation Programs offering seed and accelerator capital for fund managers on the AKJc Platform. The FoF's strategy includes investing on a merit basis into funds on the AKJc Platform.

6.2 Benefits of the FoF

For AKJx holders, the FoF offers a number of significant benefits:

- AKJx have been used to fund the growth of various AKJ Group subsidiaries in crypto activities with excess cash temporarily placed as part of a treasury function within the FoF while it awaits deployment for specific use to help build the AKJ Ecosystem. Appreciation of periodic deposits by AKJc in the FoF is intended to be shared with Security Token holders as part of the Shareout;
- Reduced fees (typically by 50%) to be paid to investee funds, since the FoF effectively acts as a sales vehicle for the funds on the AKJc Platform;
- Participation in a Fund that has, since inception, ranked #1 in annual and cumulative performance within its global peer group of 700+ funds, as based on data from Eurekahedge.

The EEA onshore regulation for the FoF and the investment manager (both by Malta FSA) enables the FoF to be held by any traditional institution, bridging fiat and crypto management.

6.3 AKJ Digital Assets FoF's Capital Allocation Programs

The FoF is intended to provide seed and accelerator capital for fund managers on the AKJc Platform.

The merit-based and strategy-aligned Capital Allocation Programs are designed to attract top, emerging fund managers onto the AKJc Platform, with pre-negotiated fees.

¹ The Alternative Investment Fund Managers Directive (AIFMD) is a regulatory framework for alternative investment fund managers (AIFMs), including managers of hedge funds, private equity firms and investment trusts.

AKJc's excess cash is temporarily placed as part of a treasury function within the FoF while it awaits deployment for specific use to help build the AKJ Ecosystem. A percentage of Net Revenues received by AKJc resulting from its deposits in the FoF are included in Shareout to Security Token holders, which is to be paid subject to the discretion of the Board of AKJc.

6.4 Token Utilities for Security Token Investors

For qualifying AKJx holders, a full waiver of all FoF fees (sales charge, exit fee, management fee and performance fee) on direct investments made into the FoF, resulting in a "0/0" fund with additional subsidies already provided by AKJc.

7. AKJ NEXGEN

AKJ NexGen Management Limited (“NexGen”) is a Cayman exempt Management Company launched in 2017-18 to oversee crypto strategies. The company was acquired by AKJt Holdings Limited in 2021.

The NexGen fund platform offering provides a fast-tracked onboarding process and nimble operating environment for new funds. The offering is an entry-level product designed to bring visibility to the funds’ investment strategies while they are largely trading capital from friends and family. This approach allows us to assess risk prior to introducing a fund to a wider audience. This process is designed to alleviate client frustration with onerous requirements before the fund has reached sufficient scale. Instead, funds can focus on testing their investment strategies and honing their trading systems while negotiating investor commitments and developing their track records.

Participating funds can eventually graduate to one of AKJ’s Alternative Investment Fund Managers (“AIFM”). This is a seamless, non-disruptive process that would allow qualifying funds to retain their track records while gaining marketing rights throughout the EEA.

The NexGen fund platform is based on current regulatory requirements and hence subject to change.

8. RISKCAP

RiskCap International Ltd (“RiskCap”) was established in 2013 to provide customised and outsourced risk management, regulatory compliance, and governance solutions to the financial services industry. Being a Certified Service Provider (“CSP”), RiskCap serves more than 70 funds across Europe. Total client assets is approximately \$10 billion.

RiskCap was acquired by AKJt Holdings Limited in 2021 and is a core provider within the AKJ Ecosystem of risk and compliance services, utilising state of the art technology and globally recognised systems. This enables RiskCap to stay at the forefront of its industry while providing the required services needed towards both ecosystem and non-ecosystem clients.

There will be ample opportunity to further integrate RiskCap into our crypto activities, whether through the design of new utilities leveraging AKJx, or through the provision of services to DeFi clients. Additionally, there will be various other opportunities and efficiencies not yet known, in anticipation of regulatory changes within the crypto space. The AKJ Protocol will be utilised to manage assets on chain, with RiskCap to play a role in the automation of tasks that will fall within its scope as a Certified Service Provider.

9. DECENTRALISED FINANCE

AKJ sees an opportunity in smart contract-based asset management and is poised to take a leading position in bringing regulated hedge funds on-chain. This requires a software protocol that seeks to streamline a fragmented value chain in asset management, creating a common infrastructure for all industry players. The protocol can be an existing protocol that meets the requirements for regulated funds, or a new initiative that builds upon previous technology.

In order to address money laundering concerns for the DeFi protocol, we will assess if the Protocol should integrate with either permissioned (i.e., where counterparties are known and have gone through KYC/AML checks) or centralised finance (or “CeFi”) prime brokerage and trading solutions. Companies such as Aave, through their Aave Arc offering, provide permissioned, decentralised borrowing and lending services that we will be able to leverage. While a permissioned decentralised exchange (or “DEX”) or money markets have yet to develop and achieve critical mass, we will be able to provide solutions for our DeFi clients by creating a “permissioned DEX” with liquidity sourced from known counterparts, such as an AKJ Ecosystem broker desk or third-party liquidity providers. By settling transactions on-chain, the data needed to value the assets, and hence fully operate the funds, will be accessible to the fund smart contract. This is needed to get the full value of on-chain fund operations. In short, as long as there is a lack of permissioned DeFi markets, AKJ will be able to bring in CeFi liquidity to an on-chain operating fund.

For funds, the Protocol enables asset management in a DeFi environment, while still receiving the benefit of regulated oversight through AKJ’s off-chain entities. Additionally, the protocol will be designed as open financial infrastructure, available for anyone to use. As such, it allows AKJx holders to benefit not only from the growth of the AKJ Ecosystem but from the disruption of the asset management industry as a whole, through the distribution of earned Protocol Tokens to all AKJx holders.

Our plans in decentralised finance, including the development of the AKJ Protocol and Protocol Token, as well as the larger token economy structured around AKJx, are discussed in Sections 11-13.

10. ARTIFICIAL INTELLIGENCE (AI)

AKJ has since 2018 charted a path to integrate AI and blockchain, which we see as complementary elements that will need to work together seamlessly to fully realise the potential of these technologies and the impact they will have in the financial services industry.

Fundamentally, both AI and blockchain technology aim to create structured and useful data where currently there is unstructured and siloed data and as such, the technologies address the same challenges. Nevertheless, they approach these challenges from very different angles.

AI works “top down” and can recognise patterns in large amounts of unstructured data, making predictions and generating new data that is useful in cataloguing the information. Blockchains work “bottom up” to structure siloed and unstructured data in a new way, making different users and their local databases able to cooperate on a shared immutable copy of a single ledger, allowing a clear state of events on which all users can agree. Seen this way, these two very different technologies are complementary, creating order out of disorder, from both sides.

When approaching real-world problems in the traditional financial industry from these two angles, one can see how both technologies can yield improved, different-yet-compatible, deeply disruptive solutions.

We are currently developing AI-driven solutions to automate processes within the traditional matrix, to build expertise as well as prepare the ecosystem for the next phase of expansion. This includes using AI in the management of traditional tasks that represent “low-hanging-fruit”, such as:

- enhancing client onboarding by speeding up KYC and AML procedures;
- capitalising on AI's ability to process large volumes of data and deliver real-time market analyses, and provide a comprehensive and proactive risk management system;
- automating our accounting and NAV calculation procedures.

By swiftly and accurately processing substantial volumes of data, AI will significantly expand our ability to provide quick, precise, automated calculations and reports.

In AKJ's next stage of growth, we plan to provide a regulated hedge fund and crypto fund platform with unprecedented efficiency and security, employing AI and blockchain technology to manage its clients and their trading activities on a common protocol, also accessible by external non-ecosystem users (which would be expected to help drive the value of AKJx).

We expect to actively participate in reshaping the future of the asset management sector by incorporating the use of AI with blockchain technology, with the ultimate goal being to flip the ecosystem onto a decentralised protocol, within a fully regulated structure for institutional clients.

The integration of these transformative technologies will maximise transparency and control for our clients, minimise costs and errors to protect investors, and ensure that AKJx reaches the widest institutional audience with the most value possible.

11. AKJX

11.1 Introduction to AKJc and AKJx

AKJc was created for the general commercial purpose of driving the development and implementation of commercial activities within the digital assets sector. AKJc is the architect of the AKJ Ecosystem, as described in Section 2 (The AKJ Ecosystem - Overview), that has rapidly achieved a leadership position within the crypto hedge fund industry. The AKJ Ecosystem has generated significant scale since its inception in 2017.

AKJc issues AKJx which is a transferable security sold under EU law and is designed for Professional Investors seeking managed exposure to digital assets. AKJx captures and shares the value of the components in the AKJ Ecosystem with AKJx holders.

AKJc has to date received approximately US\$30 million of subscription monies from the sale of AKJx. The funds raised have been utilised in the development of the AKJ Ecosystem, with excess cash temporarily placed as part of a treasury function within the FoF while it awaits deployment at the discretion of the Directors within the AKJ Ecosystem.

AKJx holders are intended to participate in the growth of the AKJ Ecosystem, as well as from income from periodic deposits utilising excess cash, through a Shareout of 25% of AKJc's Net Revenues (see Appendix B Key Definitions).

11.2 AKJx – the Ecosystem Security Token

Our ecosystem security token aligns incentives amongst stakeholders (founders, fund managers, investors, developers, liquidity providers and destinations). We believe digital assets have become the single best capital formation and client bootstrapping vehicle for fostering growth. The design incentivises token holders to take a risk in adopting the ecosystem and its services before the value proposition fully emerges, and these early adopters are expected to be rewarded via increased token prices that have future value based on how much all stakeholders contribute to the growth of the ecosystem.

11.3 Security Token Functionality

AKJc has issued AKJx: a vehicle for capturing the value within the AKJ Ecosystem and aligning the interests of all parties by enabling sharing of a portion of its Net Revenues.

Revenue sharing from infrastructure fees (Infrastructure), trading, system, and storage fees (Trading & Systems) and Capital Allocation Program fees (the FoF), are payable to AKJx holders' wallets and paid in ETH.

A fee discount and capital seeding mechanism incentivise fund manager commitment, supporting growth of the ecosystem and increasing demand for AKJx in the secondary market as the ecosystem grows. The incentive of managers to hold AKJx creates the prospect of a continually growing installed base of AKJx buyers.

AKJx holders are intended to participate in the appreciation of the AKJ Digital Assets Fund of Funds and the growth of the ecosystem, through an initial Shareout (as defined at Appendix B (Key Definitions)) of 25% of AKJc's Net Revenues (as defined at Appendix B (Key Definitions)).

AKJx is a smart contract on the Ethereum blockchain, following the ERC20 standard, with support on Binance Smart Chain as a BEP20 token.

11.4 How do Tokens improve the enterprise model?

The mainstream dialogue around cryptocurrency typically focuses on topics such as decentralisation, immutability and transparency. While these are important technical considerations, on their own they do not harness the power of cryptocurrency, or of a token-based business model. Rather, the real potential lies in the ability of the enterprise to use its crypto assets to fundamentally reorganise itself, including how it delivers value – directly and proportionally – to a wide array of stakeholders that engage with the organisation in many different ways.

AKJx is multi-faceted, simultaneously acting as:

- (a) a mechanism for diversified crypto exposure;
- (b) a profit-sharing mechanism for revenues on the AKJc Platform;
- (c) an incentive mechanism for AKJc Platform participants;
- (d) a discount mechanism for FoF participation (through fee waivers);
- (e) a tool to attract top industry talent;
- (f) a centralised hub of market knowledge for AKJc Platform participants.

We believe token-based securities will drive the reinvention of business enterprises, allowing new ways to design organisations and incentivise project contribution. AKJx is intended to be the optimal enabler for a hedge fund platform, allowing the AKJ Ecosystem to channel growth in the most efficient way possible.

11.5 Why invest in AKJx?

- (a) AKJx provides diversified exposure to the crypto economy through the top hedge funds on the AKJc Platform;
- (b) subject to applicable laws, regulations and/or licensing requirements, the portion of the Shareout attributable to appreciation of AKJc's excess cash deposits is intended to be increased from 50% to 75% of Net Revenues once the AKJc Platform has \$10 billion in Fund-level AuM, and to 100% (i.e., all of the appreciation and fees attributable to AKJc's placement of excess cash) once the AKJc Platform reaches \$20 billion in Fund-level AuM;

- (c) at such time, AKJx will provide full exposure to appreciation from the AKJc's deposits of excess cash into the FoF and/or other destinations for treasury management purposes, but with the added benefits of:
 - (i) the 25% Shareout on AKJc Platform (infrastructure and trading) fees, as well as other new ventures, and
 - (ii) the expected "utility premium" on AKJx price, generated due to a meaningful portion of the investor base (namely, the client funds on the AKJc Platform and investors in the fund of funds) choosing to hold AKJx for its utility value (in the form of discounted fees) in addition to its fundamental value;
- (d) AKJx value is poised to benefit from a growing installed base of fund managers who are incentivised, for fee discounts, to buy and hold AKJx for both its investment and its platform utility attributes;
- (e) AKJx fuels a platform that is already complete, in market, maturing and expanding its client base and assets under management; and
- (f) AKJx provides the comfort of a regulated, award-winning fund platform with a well-established global brand.

The AKJ Ecosystem aims to reduce, and eventually eliminate, transaction costs for funds on the AKJc Platform. A tier-one platform with top quality providers, at minimal costs, will steadily attract more institutions and larger fund managers, driving further growth in token value (through buyer demand) that will accrue to the benefit of AKJx holders. All the while, Net Revenues will continue to be generated from Infrastructure fees and appreciation from the deposits of excess funds.

We believe that AKJ's legacy business and related expertise gives us a substantial advantage over both current and potential competitors who would have to commit considerably higher resources to develop a comparable knowledge base and operating platform with established clients, assets under management, rapid growth and industry-leading investment performance.

Token holders will thus gain risk-mitigated and highly diversified access to the rapidly ascending crypto economy, with exposure to cutting-edge opportunities along the way.

11.6 Security Token Liquidity

AKJx is expected to be traded on a public exchange subject to market conditions, with the intention of ultimately listing on a traditional regulated exchange. We expect to follow the AKJx listing with a public offering of shares in AKJt Holdings Limited (see Section 12 Security Token Offerings).

Until market conditions allow for a public exchange listing, we plan to provide AKJx holders with ongoing liquidity through participation in a private secondary trading pool. Enabled by Archax Ltd, a third-party regulated security token exchange, the trading pool will allow ecosystem stakeholders to transact on a peer-to-peer basis, relying on a third-party valuation of AKJx to inform pricing and generating liquidity for all sellers on pro-rata basis.

The AKJx private liquidity pool is slated to launch in Q1 of 2025.

11.7 Valuation and Revenue Sharing

Shareouts to AKJx holders will depend on:

- (a) Revenue sources;
- (b) AKJc Platform margins;
- (c) Appreciation from placement of excess cash for treasury management purposes;
- (d) AuM of crypto hedge funds on the AKJc Platform;
- (e) AuM of future tokenised traditional hedge funds on the AKJc Platform.

11.8 Revenue Sources

AKJx holders are intended, subject to Board approval of AKJc, to be allocated a Shareout of Net Revenues earned by AKJc from all sources, including but not limited to:

- (a) *Market Operations*
 - Capital appreciation
 - Share of any management and performance fees through the placement of excess cash for treasury management purposes
- (b) *Infrastructure and Trading*
 - Annual infrastructure and regulatory fees (Infrastructure)
 - Transaction, storage, and system fees (Trading & Systems)

11.9 Potential Future Sources of Revenue

As with most radical changes, industry, scale and new technologies will bring new monetisation opportunities, many not currently standard or even imagined.

Our primary focus over the next five-year period will be on the hedge fund industry, and on establishing the AKJ Ecosystem as the crypto hedge fund ecosystem. We then intend to leverage the ecosystem's position to establish an equivalent status in the overall financial marketplace, as it transforms in the wake of digitisation of assets and infrastructure.

Within the ecosystem today, AKJc is actively seeding new sources of income. These include marketing programs for fund clients, incubation services for decentralised strategies, and more vertically integrated product offerings. Given the speed with which DeFi and the digital assets space is evolving, however, we anticipate that new opportunities will continue to form and the scope of our work will continue to expand.

AuM of, and Appreciation Revenues from, AKJ Digital Assets FoF

Capital appreciation generated from AKJc's deposits in the FoF, plus any future participation in management and performance fees of the funds into which the FoF invests, will be part of the 25% Shareout to Security Token holders, subject to approval of the Board of AKJc when considering the best interests of AKJx holders. Capital appreciation through the FoF or any other vehicle is subject to a high-water mark.

Subject to applicable laws, regulations and/or licensing requirements, the component of the Shareout comprised of the appreciation of excess cash in FoF and/or in other destinations is expected to be increased:

- to 50% upon completion of the Private Offering;
- from 50% to 75% once the AKJc Platform has \$10 billion in Fund-level AuM; and
- to 100% (i.e., all of the appreciation attributable to deposits of excess cash in FoF and/or in other destinations) once the AKJc Platform has reached \$20 billion in Fund-level AuM.

11.10 AKJc Platform Margins

Having both a well-known, global brand and a track record of rapid growth with the traditional hedge fund management platform puts the ecosystem in a leading role within the emerging crypto economy. Incremental costs, staff and systems to service this new asset class are relatively small; yet leverage in negotiations with third parties is significant.

Although the ecosystem is purpose-built from the ground up to handle digital assets, it is, in regulatory, legal and support terms, a digitalised traditional hedge fund platform. With institutions moving into the space, we expect margins for crypto hedge funds to gradually compress.

Longer term, our expectation with the ecosystem is to disrupt both the operational structure as well as the transaction side of hedge funds, removing intermediaries, driving pricing down while increasing revenues from the market operations, and capturing all resultant value through appreciation of AKJx.

11.11 AuM of Hedge Funds on the AKJc Platform

Our intention is that the AKJc Platform will become the leading platform for *all* hedge funds within two decades.

We believe traditional assets will collapse onto distributed ledgers over the next decade. If so, the ecosystem's traditional hedge funds will become crypto funds by definition, with the resultant revenues shared with AKJx holders.

Fund managers typically develop track records over their initial 12-18 months. Consequently, we expect to see fund level growth – the driver of overall platform growth – begin to kick in during years two and three.

Conservatively, we expect AuM of US\$2 billion on the AKJc Platform within the next few years from crypto funds alone.

We anticipate a rapid rise in AuM levels within a decade, from new funds, fund growth, and the collapse of traditional funds onto the AKJc Platform.

11.12 Security Token Utilities for Fund Managers

To attract top, emerging fund managers and to reduce token velocity, AKJc incentivises fund managers to buy and hold AKJx:

- (a) an optional scheme offers fund managers a 33% discount on Infrastructure's fixed annual fees, subject to their holding at least 2% of NAV in AKJx². Fund managers would purchase AKJx from AKJc until the later of completion of the Security Token Offering (see below) and AKJx being publicly listed on an exchange, after which purchases must be made either from AKJc or on the open market, as determined by AKJc;
- (b) merit-based Capital Allocation Programs, offering seed and accelerator capital for qualifying fund managers on the AKJc Platform, whereby AKJ Digital Assets FoF will invest in best-in-class talent among emerging crypto fund managers.

11.13 Security Token Utilities for Investors in AKJ Digital Assets FoF

AKJ Digital Assets FoF provides investors with an option to receive a waiver on fees in exchange for a qualifying investment in AKJx:

- (a) an optional scheme offers investors an exemption on subscription, management and performance fees when purchasing AKJx representing 10-50% of the total investment and maintaining a 10% holding over the life of the investment;
- (b) Investors would purchase Security Tokens from AKJc until the later of completion of the Security Token Offering (see below) and AKJx being listed on an exchange, after which purchases must be made either from AKJc or on the open market, as determined by AKJc.

11.14 Allocation of Proceeds to ensure a Stable, Functional and Efficient Ecosystem

AKJx's success is in part dependent upon an efficient and well-functioning ecosystem that is built off of the fund platform, including AKJ Group Subsidiaries that act as service providers to AKJc. As such, for the best interest of AKJx holders, the Board reserves the right to allocate proceeds from token sales to various functioning mechanisms of the platform as deemed appropriate. This is done with the sole intention of having a sustainable, functional and efficient ecosystem.

² AKJx will be valued as at the higher of cost and market value as at the last Valuation Day of the prior month.

AKJc has agreements in place whereby certain AKJc Platform activities are carried out by other companies within AKJ Group. This is done in order to achieve synergies across the group – which benefits AKJc and eventually AKJx holders – and to comply with relevant laws and regulations including the arm's length principle as defined by transfer pricing guidelines.

12. SECURITY TOKEN OFFERINGS

12.1 Distribution Stages

AKJc completed its Security Token Offering (STO or Private Offering) in 2023, which was established to raise funds to assist with growing the ecosystem. The STO was open to qualified investors on invitation only.

AKJc may continue sales of AKJx to qualified investors, if deemed in the best long-term interests of AKJx holders when taken in aggregate, by utilising:

- (i) the Treasury Pool; or, upon the depletion of the Treasury Pool, from
- (ii) Treasury Reserve Pool A; or upon the depletion of Treasury Reserve Pool A, from
- (iii) Treasury Reserve Pool B.

(Treasury Pools are as described below.) Any AKJx allocated from the Treasury Pools, except any tokens allocated to AKJ Ecosystem entities, shall be immediately eligible for participation in the Shareout (unless issued as an option subject to vesting conditions, in which case such conditions shall apply). Any AKJx allocated from the Treasury Pools to AKJ Ecosystem entities shall be subject to the same requirement as for AKJc that Fund-level AuM first exceed \$2 billion before AKJx held may participate in the Shareout.

Additionally, AKJx will be distributed in a hybrid offering (“Hybrid”), designed to fuel the ecosystem to a significant level, in turn assisting with attracting top fund managers in the industry.

Hybrid investments will be made on a ratio between AKJx and FoF, with AKJx purchased out of the Treasury Pools (see below) and AKJx investors then qualified to receive a waiver on all FoF fees (sales charge, exit fee, management fees, level performance fees) for the length of the investment for as long as a minimum 10% and maximum 50% allocation in AKJx is maintained.* Investors seeking to purchase AKJx will need to do so from AKJc or on the open market (if AKJx is publicly listed on an exchange), as determined by AKJc. Fund managers seeking the fee discount may purchase AKJx from AKJc or through the secondary trading pool, as determined by AKJc, until AKJx is publicly listed on an exchange, after which AKJx will need to be purchased either from AKJc or on the open market, as determined by AKJc.

AKJx sold as part of the Hybrid offering will come out of the AKJc Treasury Pool, and upon the depletion of the Treasury Pool from Treasury Reserve Pool A, and upon the depletion of Pool A from Treasury Reserve Pool B (Reserve Pools are as described below). AKJx sold as part of the Hybrid offering shall be immediately eligible for participation in the Shareout, irrespective of the pool from which they were sold.

AKJc will maintain a future option of conducting a secondary offering for some or all of the Security Tokens held in Treasury Pools not previously sold, either as a private sale or through the issuance of a prospectus and sale to the public. A secondary offering would only take place if such a capital raise would directly benefit the long-term interests of AKJx holders, as determined by the Board of AKJc. It would be expected that a secondary offering, with raised

capital to be invested into the FoF, new product development, acquisitions, or other enterprise-building initiatives, would significantly increase the Shareout. As examples, the offering of Tokens held in Treasury Pools could potentially contribute to the Shareout and/or AKJx value through enhanced tokenomics, new token utilities, reduced fiat-based expenses, or accretive M&A opportunities.

Any public offering will be in compliance with EU prospectus legislation and subject to regulatory approval.

** If the 10% Security Token allocation is not maintained, then standard FoF fees may apply.*

12.2 Security Token Allocation

AKJx will be allocated as follows:

- | | |
|---|-----|
| • Private Offering (300,000,000 AKJx) | 30% |
| • AKJc Treasury Pool (200,000,000 AKJx) | 20% |
| • Treasury Reserve Pool A (Up to 200,000,000 AKJx) | 20% |
| • Treasury Reserve Pool B (Up to 200,000,000 AKJx) | 20% |
| • Development and Reward Program (100,000,000 AKJx) | 10% |

Private Offering: With the Private Offering having been completed, any remaining AKJx are now part of Treasury Reserve Pool A (see below).

AKJc Treasury Pool / Treasury Reserve Pool A / Treasury Reserve Pool B: For the benefit of early investors and to ensure that AKJc is rewarded only after delivering next-level substance, any AKJx held by AKJc across all treasury pools will not participate in any Shareout until the AKJ Ecosystem has reached \$2 billion in Fund-level AUM. A maximum of 200 million AKJx held by AKJc may participate in the Shareout, whereas any AKJx distributed from the Treasury Pools to third parties (excluding other AKJ Ecosystem entities) shall be immediately eligible to participate in the Shareout.

AKJx held in the Treasury Reserve pools will not take part in any Shareout until distributed. Any AKJx allocated from the Treasury Pools, as AKJc may approve when considering the long-term interests of AKJx holders in aggregate, may be eligible for participation in the Shareout, subject to the conditions as described above.

AKJx in the Treasury Pool may be sold as part of the Hybrid offering, as described previously, with the Treasury Pool to be exhausted before utilising Treasury Reserve Pool A, and Treasury Reserve Pool A to be exhausted before utilising Treasury Reserve Pool B. AKJx sold from the Treasury Pools as part of the Hybrid offering shall be immediately eligible for participation in the Shareout, irrespective of the pool from which they were sold.

Any AKJx not previously sold through the Hybrid offering will be issued only at the discretion of the Board of AKJc, in consideration of the long-term interests of AKJx holders.

Development and Reward Program: To aid rapid, sustainable growth of the ecosystem, 10% of issued AKJx are set aside for a Development and Reward Program. AKJx reserved for the program will not take part in any Shareout until distributed.

After completion of all offerings, the intention is that AKJc will consider forming a community-controlled, decentralised autonomous organisation (DAO) to govern token monetary policy decisions.

12.3 Regulations

(a) EU Regulations

(i) Prospectus Regulation ((EU) 2017/1129)

The Prospectus Regulation, which sets out the rules for the publication and distribution of prospectuses for public offerings in the EU, contains an exclusion for securities which are only offered to qualifying investors. AKJx is only offered to qualifying investors and hence AKJc is exempted from the obligation to publish a prospectus under the Prospectus Regulation.

(ii) Markets in Crypto Assets Regulation (amending Directive 2019/1937) (MiCA)

MiCA is designed to provide a harmonised and consistent legal framework for all crypto asset issuers, service providers, and investors across the EU and is expected to come into force in 2024. As AKJx is already subject to existing EU financial services regulations, the security and its issuance is not expected to be subject to the provisions of MiCA.

(iii) Markets in Financial Instruments Directive II (Directive 2014/65/EU) (MiFID II)

The objective of MiFID II is to regulate financial markets and protect investors across the EU. AKJx is subject to the provisions of this directive, though certain requirements are exempted as it is only offered to qualifying investors.

(iv) Artificial Intelligence Act (AI Act) and Digital Services Act (DSA)

There is new legislation being drafted to regulate AI systems, with these being the two primary initiatives at the moment. Guidelines are to be determined.

(b) Maltese Regulations

(i) Virtual Financial Assets Act (VFA Act)

The VFA Act was enacted to provide a regulatory framework for issuers of virtual financial assets, cryptocurrency exchanges, wallet providers, and other service providers in the blockchain and cryptocurrency space. As AKJx has been

determined to be a transferable security and subject to existing regulations, AKJx and its issuance is not subject to the provisions of this Act.

(ii) Investment Services Act (ISA)

The ISA implements MiFID II into Maltese legislation and has the objective to regulate and supervise investment services in Malta, with the aim of protecting investors and ensuring the proper functioning of financial markets. AKJx is regulated by the ISA, though certain requirements are exempted as it is only offered to qualifying investors.

12.4 Hardcap

Maximum number of AKJx possible to issue in total: 1,000,000,000.

12.5 Official Channels

AKJc will never post any fundraising public key on social media or in blog posts. There will be only one official website for the offering (www.akjx.com), where the subscription procedure is described.

Investors need to be aware of phishing attempts and other scams.

12.6 Use of Proceeds

We will use the proceeds from the offerings for business development and related expenses and working capital, and excess cash will be placed for treasury management purposes in the FoF all at the discretion of the Board of AKJc with a focus towards the long-term benefit of AKJx holders.

12.7 Application Procedure

Applications for AKJx from Professional Investors must be made on the application form provided separately for this purpose by AKJc. For additional details please refer to www.akjx.com and click on "Register for Offering".

13. AKJ PROTOCOL AND PROTOCOL TOKEN

The Case for On-Chain Asset Management

13.1 The Problem

The asset management industry is built up of multiple layers of services and service providers, with each performing different checks and balances. They are all in place to establish trust, protect investors from fraud, minimise errors and reduce risk. Over time, and as a result of incremental regulation, this has resulted in a very complex operating environment. Existing regulations have served to cement industry structures and establish dominant industry incumbents, creating high barriers to entry at each level.

Innovation in such an environment can be difficult, but when the status quo is faced with technological innovations at the most fundamental level, a shift to a new paradigm becomes possible if not unavoidable.

13.2 The Opportunity

We believe that changes in the wake of digitisation have only started in the financial sector. With distributed ledgers and digital assets come entirely new ways of organising the industry. These new ways can improve efficiency, transparency and trust. Once regulators conclude that current methods no longer fully protect investors, a radical shift can take place.

It is during these shifts that historical incumbents give way to change agents that will drive the industry forward. But this requires that the leaders of tomorrow be ready today. The innovators with lasting impact will first need to have established the vision, experience, know-how, critical mass, and a working product to establish themselves as credible industry leaders.

We are the team to drive this forward, and the time is now.

13.3 Our Unique Position

AKJ has a long legacy in traditional finance, with its turnkey fund services offering first initiated in 2012. We launched our crypto initiative in 2017 and have since established ourselves as a leading player within the European digital assets market. In December 2021 total AKJ Ecosystem assets exceeded US\$1 billion. This level of scale, along with a healthy sales pipeline, a top-ranked crypto fund of funds, and a robust security token (AKJx), has enabled AKJ to establish deep-rooted market leadership as we now implement the next stage of our plans. With AKJ's off-chain crypto business now firmly established, we are working towards developing and deploying a set of parallel operations into a DeFi environment. Based on a technology stack of open blockchains where natively digital and tokenised assets are managed with smart contract-based services. We plan to start utilising an open-source asset management protocol for AKJ's regulated funds, thereby bringing on-chain an established crypto ecosystem that is now the leading platform of its kind in Europe.

13.4 The On-Chain Asset Management Market

An on-chain asset management protocol will stand poised to drive the digital disruption that is coming to the financial industry, and the immense opportunities it offers. This disruption will come out of a number of structural problems with the asset management industry as constructed today: too many service providers, each performing siloed tasks with many manual processes, all resulting in substantial frictional costs (in both time and cost) that adversely impacts fund managers and their investors. Additionally, the sophistication and industry knowledge required to understand all the relevant components currently renders it nearly impossible for a broader range of parties from participating.

AKJ has tracked several attempts in the market to build solutions for asset management of digital assets. While these services have given us a hint of what smart contract-based financial services could look like, none of these protocols or services have seen any real adoption. Moreover, none are particularly well suited as investment vehicles in their current shape and form. Why? Since some of the most important aspects to consider for such a product, such as tax treatment and regulatory compliance, have been neglected by these technology-focused initiatives, resulting in an incomplete product for real world use in the market.

13.5 The Solution

For an on-chain asset management protocol to be useful for institutional players, it needs to fit flawlessly with a regulated, tax-efficient, and legally recognised investment vehicle. This requires a structure that, for tax purposes, would be classified as a collective investment scheme (“CIS”). If so, a collective investment scheme that is natively digital (i.e., based on smart contracts), while also tax efficient and compliant, would need to have the following structure:

- to avoid each transaction in the portfolio being a taxable event for the investor, the investing party will be required to be an incorporated entity;
- such an incorporated investment vehicle would be classified as a CIS; with management of such being a regulated activity. This would require an investment management licence for the operator, and hence that the operations of the investment scheme is following all regulatory guidelines for a CIS;
- to reap the benefits of public blockchains and the digital asset revolution, the operating platform would need to be on a public blockchain that hosts all of the underlying assets, exchange protocols, automated market makers, yield and liquidity aggregators, prime broker protocols, synthetic asset issuers, and so on. This platform comes in the form of open-source financial infrastructure software (i.e. a protocol), open for any asset manager to use. Such a protocol will be a core part of the Infrastructure that the AKJ Ecosystem will utilise for its funds;
- for the investment vehicles, that will exist within a permissionless on-chain environment where actors are typically anonymous, to meet the AML/CTF requirements of the regulator, the AKJ Protocol needs to be designed so that it can restrict access to only permissioned or risk-assessed liquidity pools and markets, where either AML/CTF

requirements can be upheld, or the assets in the liquidity pools can be sufficiently screened and considered as clean.

The AKJ Protocol will either be an updated version of an existing protocol or a modified fork. When the Protocol is used to issue and operate AKJ funds, Infrastructure will provide the regulatory licence and compliance control, and also make sure to manage the incorporated CIS.

The regulated use of the Protocol will consider important enhancements as compared to earlier iterations of on-chain asset management vehicles, such as the integration of a KYC/AML framework and the ability to dynamically allow access to liquidity pools that have been checked by compliance tools, or that themselves enforce a KYC framework.

By combining the on-chain protocol and the regulatory services that AKJ has perfected over years, our solution will result in lower costs for platform funds, while generating additional ecosystem utility value through, for example implementing a requirement to hold utility tokens for Protocol access or discounts.

13.6 Building vs. Using an Open Protocol

There are two main pathways that will be assessed when moving AKJ funds to an on-chain operational platform.

The first pathway would be to enter into a strategic partnership with an existing protocol that meets most of the needs for operating regulated funds. This also means that resources for maintenance and development are largely in place.

The second pathway involves taking initiative to sponsor development of a new protocol, or partner on the forking or additional development of an existing protocol. Whatever pathway is chosen, the software should provide automated asset management functionality designed to achieve efficiency, immediacy, accuracy and immutability, all at reduced costs and for a wide audience of participants. Once created, the protocol would be launched under an open source software licence and the current assumption is that governance of the protocol will be handed over to a DAO (Decentralised Autonomous Organisation), that will utilise a protocol token (AKJ Protocol Token) for its on-chain governance of the protocol.

13.7 AKJ Protocol Token

In the second pathway, features of a new protocol token need to be established and the token distributed by the DAO.

Beyond utilising the Protocol Token for governance, the DAO can incentivise adopters by distributing tokens to contributors as a method to bootstrap growth. AKJ Group, its clients and others can earn Protocol Tokens by making resource-based contributions to the DAO in its efforts to develop the Protocol such as deploying its funds to the protocol. Any Protocol Tokens earned by AKJc or Affiliates will be shared with AKJx holders.

13.8 AKJx and the AKJ Protocol Token: How they work together

The Protocol Token is the native token of the AKJ Protocol, an open-source asset management protocol. In contrast, AKJx fuels the centralised fund platform and is used to capture utility use cases within this environment.

AKJx holders may, collectively or individually, own a certain percentage of issued Protocol Tokens, while earning and spending Protocol Tokens as a product of various activities.

Utilities for AKJ Ecosystem stakeholders (such as the discounted fees that funds are charged when holding at least 2% of their AuM in tokens, as described above), will, as a general rule, reside within the token and token environment that corresponds to its associated participant (such as a decentralised fund being able to operate on the AKJ Protocol upon staking 2% of AuM in the Protocol Token).

13.9 Distributing AKJ Protocol Tokens to AKJ Ecosystem Participants

A potential new Protocol would require a capital infusion to fund development and maintenance of the protocol. Once the Protocol is developed, it will be published under an open-source licence such that a DAO can be formed to further govern the protocol and infrastructure. Protocol participants will be able to submit resolutions for the acquisition of certain services at certain rates, after which any third parties can submit alternate proposals (i.e., different services, vendors and/or pricing) for the full Protocol Token base to consider. AKJc and Affiliates will share any earned Protocol Tokens proportionally with all AKJx holders.

Should a new protocol be built and a new utility token be needed, such token rewards can be provided for services including but not limited to the following:

- (a) Capital investment;
- (b) technical development and programming;
- (c) marketing services;
- (d) ongoing maintenance;
- (e) deployment of token utilities (e.g., AKJc electing to incorporate a Protocol Token utility for its AKJc Platform funds).

AKJc will distribute, at the time of receipt, all Protocol Tokens proportionally to all current AKJx holders as of that date, with the following exceptions:

- (a) Reward token options will not participate until exercised; and
- (b) any unissued AKJx (e.g., those remaining in Treasury Reserve Pools A and B) will not participate until issued.

Protocol Tokens issued to AKJx holders will not be stapled to AKJx and may be resold subject to any rules or regulations then in place. Hence AKJx carries an ongoing right to receive downstream interests in direct and indirect ecosystem projects, though AKJx itself will be bought or sold as a separate instrument (as will the Protocol Token and any others launched from the AKJ Ecosystem over time).

While an AKJ entity may see it as an advantage to “airdrop” their AKJ Protocol Tokens to selected stakeholders (e.g., fund managers) to encourage Protocol participation, this would be done on a proportional basis to all AKJx holders.

AKJ Ecosystem stakeholders who receive Protocol Tokens may be subject to a lock-up structure in order to ensure an orderly flow of token liquidity in the market.

14. ROADMAP

- Q1 2016** • Initiated early developments of the AKJc Platform.
- April 2016** • Won the first of eight (as of 2024) HFM European Services 'Best Hedge Fund Platform' awards.
- Q4 2016** • Initiated development of Trading & Systems, a vertically-integrated gateway to digital assets exchanges and other providers.
- March 2018** • Established AKJc as a security token issuing company and provider of specialised knowledge and services to the digital assets platform and token economy.
- January 2019** • Launched the AKJ Digital Assets FoF and its capital allocation programs, offering seed and accelerator capital to qualifying digital assets funds on the AKJc platform.
- September 2020** • AKJc issued first "Shareout" distribution to AKJx investors, a 2% return on investment.
AKJc spun out to achieve greater independence. Formation of AKJt Holdings Limited, a fintech holding company and digital assets incubator.
- January 2021** • Enhanced the digital assets platform through the acquisition of NexGen Management Limited.
- December 2021** • AKJ Ecosystem exceeded \$1B in total ecosystem assets.
- January 2022** • Achieved #1 performance ranking for AKJ Digital Assets FoF across global peer group of 700+ funds (as tracked by Eurekahedge), marking the third consecutive year with a #1 annual ranking.
- April 2022** • AKJc announced latest Shareout payments, with annualised distributions rising up to 4% on invested capital.

- March 2022** • Executed commercial expansion of ecosystem through strategic acquisitions of FMG (Malta) Limited and RiskCap International Limited.
- Q2 2023** • Launched partnership with Fireblocks to provide industry-leading custodial solutions.
- January 2024** • Completed Phase One with 30+ funds on platform and \$30mm raised from AKJx private placement.
- April 2024** • Won HFM 'Best Hedge Fund Platform' award for the 8th time in 9 years.
- Q4 2024** • Expected launch of AKJx private liquidity pool with Archax Ltd.
- Q1 2025** • Planned expansion of AKJx token utilities to benefit traditional hedge fund clients and AKJx holders.
- Future Developments** • Migration of AKJ Ecosystem into a decentralised environment that is optimised through the use of AI technologies. Launch of this and other downstream tokens and projects, with AKJx holders to receive their proportional share.
- Future Developments** • Listing of AKJx on a security token exchange or multilateral trading facility, to be followed by a listing on a traditional exchange with sufficient market liquidity and infrastructural support (e.g., full wallet structure).
- Future Developments** • Potential collapse of token issuer and holding company equity into AKJx to create a fully tokenised enterprise.
- Future Developments** • Leverage our position as the leading digital hedge fund ecosystem to establish an equivalent status within the broader financial marketplace as it transforms in the wake of tokenisation.

APPENDIX A DIRECTORY

Board of Directors of AKJc

Anders Kvamme Jensen (Norway - Chairman)

Founder and Chairman. Anders works closely with the subsidiaries on both strategic and financial matters. He has been instrumental in attracting, training and motivating top global talent to AKJ Group, which since its inception has developed strategies to enable the company to deliver continuous growth. Anders is a director of AK Jensen Group Limited and AKJt Holdings Limited.

Anders earned a degree in business administration and finance from the University of Denver in 1992 and subsequently dropped out as a special student from Harvard University before establishing the US FINRA brokerage AK Jensen Inc. in 1995.

In 1998, in partnership with Leif H. Olsen, former Chief Economist of Citibank, he founded the AKJ Hedge Fund. In 1999, he formed the group company AK Jensen Group Limited and in 2020 the fintech holding company AKJt Holdings Limited.

Neal Mitra (US – CEO)

Neal joined AKJc in 2018 as Chief Administration Officer and was promoted to CEO in 2019.

Prior to AKJ, he was Managing Director at Argon Group, the investment bank focused on digital assets and the token-based capital markets. His previous experience includes roles in venture capital and private equity. Neal began his career as a management consultant with McKinsey & Co and Monitor Company, working in the US, Europe and Southeast Asia.

Neal holds S.B. and S.M. degrees from MIT and an MBA degree from Stanford University Graduate School of Business.

Dr. Paul Magro (Malta – non-exec)

Paul is the Co-founder and Managing Director of RiskCap International Ltd. He has been involved in the financial industry for over a decade having worked in foreign exchange, invoice finance, payment services and the fund industry. He co-founded RiskCap after completing his PhD in Finance at the University of Bangor. Paul serves as the risk manager, compliance officer or director for various funds and managers licensed in multiple jurisdictions, mostly within the EU. Paul is also a former visiting lecturer at the University of Malta's Banking and Finance department, lecturing on hedge fund strategies, alternative investments and financial modelling.

Stefano Bresci (UK – non-exec)

Stefano currently holds the position as Director and Chief Financial Controller in TFF Asia Ltd. Prior to TFF Asia Ltd., he held various senior positions in European and Asian companies providing financial and offshore services. His previous experience includes roles as Director and Head of Technical Analysis (FX trader), Broker, Executive Director, Investment Banking Officer and Asset Manager.

Stefano holds a Bachelor of Science in Mechanical Engineering from Brunel University.

For further information regarding Directors please refer to Important Notice at page 3 and Appendix C (Further Important Information and Risk Disclosures).

AKJc Secretary and Registered Office

RiskCap International Limited (Malta co reg C61368)
Airways House, 6th Floor, Gaiety Lane, Sliema SLM1549, Malta
Telephone: +356 2733 3179

Auditors to AKJc

PricewaterhouseCoopers
Registered and Head Office: 78 Mill Street, Qormi QRM3101, Malta
Telephone: (+356) 21 247000 Email: info@mt.pwc.com

PricewaterhouseCoopers (PwC) is a civil partnership governed by Maltese law. The firm is registered as an audit firm with the Accountancy Board in Malta in terms of the Accountancy Profession Act.

Legal Advisers

AKJ Legal Department
AK Jensen Investment Management Limited
Address: Bolette brygge 1, 0252 Oslo, Norway
Email: legal@akj.com

The Legal Advisers act as legal counsel to AKJc and the rest of the AKJ Group, in connection with the offering of AKJx and other matters. In connection with the offering of AKJx or on-going advice to the AKJ Group, such Legal Advisers will not represent investors in AKJx.

**APPENDIX B
KEY DEFINITIONS**

“Affiliates”	other members of the AKJ Group.
“AKJc Platform”	the part of the AKJ Ecosystem platform that provides trading and infrastructure solutions to hedge fund clients trading in digital assets.
“AKJc plc” or “we” or “our”	AKJc, formerly known under company name AKJ Crypto plc, is the issuer of the AKJx. AKJc is a public company with limited liability established on 27 March 2018 with registration number C85543 under the laws of the Republic of Malta. The Registered Office of AKJc is at Airways House, 6th Floor, Gaiety Lane, Sliema SLM1549, Malta. The shareholders of AKJc are: AKJt Holdings Limited, (Bermuda Company Registration No: 55742) Clarendon House 2 Church Street Hamilton HM 11 Bermuda - 49,999 Ordinary shares of EUR 1.00 each; and AK Jensen Investment Management Limited, (England Company Registration No: 8939656) 23 Berkeley Square, Mayfair, London W1J 6EJ – 1 Ordinary share of EUR 1.00. Further information on its commercial role is given at Section 5 (AKJc plc).
“AKJc’s Net Revenues” or “Net Revenues”	the revenues earned by AKJc from the AKJ Ecosystem less any directly attributable costs of such revenues. These include revenues from Infrastructure, Trading & Systems, investments of excess cash and potential future sources of revenue (such as monetisation opportunities arising from evolution of the industry, scale and new technologies). More detail of the various sources of revenue can be found in Section 11 (AKJx) of this document. Directly attributable costs of such revenues are deemed as costs incurred in the regular course of business including costs incurred in order for business or a transaction or a series of transactions to occur. Ecosystem components or tools used strictly for internal purposes, such as payments or ecosystem liquidity, including the ecosystem fund AKJ Crypto Transition Fund Limited, shall not be considered as revenues or Net Revenues for the purpose of this definition. At all times, acting in the best interest of AKJx holders, AKJc will aim for synergies and competitive rates for services provided through AKJ Group specialising in different services lines, and for such transactions to be carried out within the realm of arm’s length principle in order to be compliant with global laws and regulations.
“AKJ Ecosystem”	as described in Section 2 (The AKJ Ecosystem – Overview)).
“AKJ Group”	AKJ Group consists of AK Jensen Group Limited (Bermuda) and AKJt Holdings Limited (Bermuda) and their subsidiaries.

“AK Jensen Group Limited”

AK Jensen Group Limited is a limited liability company incorporated in Bermuda with its registered office at Clarendon House 2 Church Street Hamilton HM 11 Bermuda. AK Jensen Group Limited and its subsidiaries provide services for funds including fund formation, legal and regulatory infrastructure, trading systems, and back office support. AK Jensen Group Limited is the holding company for about 45 companies, the main subsidiaries being:

- **AK Jensen Investment Management Limited** (UK – FCA regulated and authorised – full scope AIFM);
- **AK Jensen Limited** (UK – FCA regulated and authorised – broker including prime brokerage and custodian services – sub Euro 100m AIFM);
- **FMG (Malta) Limited** (Malta – MFSA regulated and authorised – full scope AIFM);
- **AK Jensen Norway AS** (Norway – NFSA regulated and authorised – MiFID Investment Manager);
- **AKJ Digital Assets FoF IC SICAV plc** (also referred to herein as the “FoF” or “AKJ Digital Assets FoF”) is the allocation vehicle within **AKJ Group**. It is a collective investment scheme established on 23 October 2018 with registration number SV/493 as a multi-class investment company with variable share capital under the laws of the Republic of Malta and is licensed by the MFSA with Licence Number CIS/493 dated 8 January 2019 under the Investment Services Act, 1994, as an Alternative Investment Fund, available to Professional Investors. Further information on its commercial role is given at Section 2 (The AKJ Ecosystem - Overview) and Section 6 (AKJ Digital Assets FoF – The Fund of Funds).

“AKJt Holdings Limited”

AKJt Holdings Limited, (Bermuda Company Registration No: 55742) whose registered office is at Clarendon House 2 Church Street Hamilton HM 11 Bermuda. AKJt Holdings Limited and its subsidiary AKJc focus on trading, administrative, digitisation and other advanced solutions for hedge fund managers. AKJt Holdings Limited and AKJc seek to align the interests of all AKJ Ecosystem participants – investors, fund managers and providers – through the AKJx. Apart from AKJc (see at start of this Section), the main subsidiaries of AKJt Holdings Limited are:

- RiskCap International Ltd. (“Riskcap”) is a risk services provider that augments AKJ Ecosystem’s fund services product through a vertically integrated risk solution;
- AKJ NexGen Management Limited (“NexGen”) is a Cayman exempt manco that acts as an incubator for decentralised finance (“DeFi”) and other emerging opportunities in the AKJ Ecosystem.

“AKJ Infrastructure”

or

“Infrastructure” as described in Section 3 (Infrastructure – the Legal & Regulatory Foundation).**“AKJx”** or**“Security Tokens”** Formerly known as AKJ Token. Ethereum-based ERC-20 (or other technical standard approved by the Directors from time to time) digital tokens with the ability to execute code, allotted and issued by AKJc according to the latest offer document approved by the Directors. AKJx may represent an economic interest in AKJc and which may grant the holders thereof other rights and benefits as the board of **Directors** may determine.**“AKJ Trading & Systems”** or**“Trading & Systems”** as described in Section 4 (Trading & Systems – the Trading Infrastructure).**“Capital Allocation Program”**

as described in Section 6 (AKJ Digital Assets FoF – The Fund of Funds).

“DeFi”

Decentralised finance, which is an emerging financial technology based on secure distributed ledgers similar to those used by cryptocurrencies. DeFi reduces the control banks and institutions have on money, financial products, and financial services.

“Directors”

See Appendix A (Directory) and at Section 1.5 The Team (Management and Development Team) where two Directors are marked with*.

“Ecosystem assets”

assets held or managed by one or more components of the AKJ Ecosystem. Includes both crypto assets and traditional assets, and includes assets in AKJ's prime brokerage and custody accounts but omits the approximately \$8 billion of assets of clients where AKJ Group provides services but does not hold their assets.

“Fund-level AUM” fund-level AuM that generates platform revenues that are included in the calculation of Net Revenues for the purposes of paying the Shareout.**“Professional Investor”**

an Investor who is considered to be a professional client or may, on request, be treated as a professional client within the meaning of Annex II to Directive 2014/65/EU (such Directive commonly referred to as MiFID II).

“Shareout”

the sharing of a portion of AKJc's Net Revenues with AKJx holders. The Shareout may accumulate to the account of AKJx holders or may be distributed to AKJx holders all at the discretion of the Directors of AKJc. The Shareout is subject on each occasion to the approval of the board of AKJc who shall have regard to their duties such as duty to promote the success of AKJc and to comply with the law relating to distributions and to consider AKJc's future financial requirements. The board will exercise their discretion

with a focus towards the long-term benefit of AKJx holders. This includes the possibility that, after completion of the Private Offering, a portion of a Shareout, either on a one-off or recurring basis, may be used to purchase and burn AKJx. The board will not recommend the payment of a dividend to the members of AKJc in any year unless a 25% Shareout has already been approved for that year.

With the expected assimilation of traditional assets and products onto tokenised and/or decentralised platforms, it is anticipated that net revenue contributions from other AKJ Ecosystem entities and business lines (i.e., those other than AKJc) will be added to the Shareout, the timing of which will be determined in consideration of the long-term interests of AKJx holders.

“Whitepaper”

this document (as amended or superseded from time to time). As stated at Appendix C (Further Important Information and Risk Disclosures) at the end of C1, “This Whitepaper replaces any and all versions of offers for sale of AKJx that have been previously issued. AKJc reserves the right to waive certain restrictions or requirements stated in this Whitepaper, provided that any such waiver complies with applicable laws. AKJc reserves the right to revise or supersede the terms and conditions of this Whitepaper when it is satisfied that such changes are in the best long-term interests of AKJx holders.”

APPENDIX C FURTHER IMPORTANT INFORMATION AND RISK DISCLOSURES

C1 Further Important Information

Investment in an unlisted company tends to carry a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in unlisted companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser who specialises in advising on the acquisition of shares and other securities and who is an appropriately authorised independent financial adviser in their jurisdiction.

This Whitepaper does not constitute an offer or any part of any offer of transferable securities to the public. Accordingly, this Whitepaper does not constitute a Prospectus and has not been drawn up in accordance with the Prospectus Regulation Rules nor filed with or approved by any competent authority.

Investments in AKJx are not protected by financial compensation schemes and therefore you could lose all the money you invest.

The distribution or dissemination of this Whitepaper or any part thereof may be prohibited or restricted by the laws, regulatory requirements, and rules of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, and to observe, any restrictions which are applicable to your possession of Whitepaper or such part thereof (as the case may be) at your own expense and without any liability to AKJc. Persons to whom a copy of this Whitepaper has been distributed or disseminated, provided access to, or who otherwise have this Whitepaper in their possession, must not circulate it to any other persons, reproduce, or otherwise distribute it or any information it contains for any purpose whatsoever, nor permit or cause the same to occur.

AKJx must not be offered to the general public in any jurisdiction through the use of this Whitepaper. If AKJx are to be offered by AKJc to the general public then it will be done through a prospectus appropriately approved. AKJx are not intended to be marketed, offered or sold, directly or indirectly, by or on behalf of AKJc in any jurisdiction where the marketing, offer or sale of AKJx is not permitted or authorised or to any person who is not permitted to acquire or hold AKJx under the laws or regulations of such jurisdiction.

This Whitepaper does not constitute advice, nor a recommendation, by AKJc, its Associates or its or their officers, directors, managers, employees, agents, advisers or consultants, or any other person, to any recipient of this Whitepaper. This Whitepaper may contain references to third party data and industry publications. However, there are no assurances as to the accuracy or completeness of such reproduced information.

The Directors and AKJc make no promises of future performance or value with respect to its proposed business operations or AKJx, including no promises of inherent value, no promises of payments, no guarantees of liquidity and no guarantees that AKJx will hold any particular value. Unless prospective participants fully understand, comprehend, and accept the nature of AKJc's

proposed business and the potential risks inherent in AKJx, they should not participate in the purchase of AKJx.

Neither AKJc nor any other person, entity and/or Affiliates involved with the deployment of the AKJ Ecosystem can warrant that the process for creating, distributing, receiving, holding and using AKJx and/or other crypto assets will be uninterrupted or error-free.

Investors are reminded that tax, law and practice and the levels of tax relating to the holding of securities may change from time to time. This information herein does not constitute legal or tax advice. If potential investors are concerned about any tax aspects of the offering then they are urged to seek appropriate professional advice (particularly in their home jurisdiction). Capital Gains Tax is required to be paid in certain jurisdictions or by certain taxpayers on profits from investing in crypto assets once allowances are exceeded.

This Whitepaper replaces any and all versions of offers for sale of AKJx that have been previously issued. AKJc reserves the right to waive certain restrictions or requirements stated in this Whitepaper, provided that any such waiver complies with applicable laws. AKJc reserves the right to revise or supersede the terms and conditions of this Whitepaper when it is satisfied that such changes are in the best long-term interests of AKJx holders.

C2 General Risks

Security Token Offerings are relatively new to the marketplace and regulatory uncertainties exist at present – rules are still being finalised by regulators in many jurisdictions and in particular the EU is getting closer to finalising regulations for Markets in Crypto Assets (MICA). AKJx being financial instruments are already subject to regulations and AKJ looks forward to greater harmonisation of rules relating to crypto assets in the EU (benefits include ability to scale up activities cross border) and the rules ought to lead to a higher level of investor protection and market integrity when dealing with crypto assets. AKJc is expecting the new MICA rules to be positive for its business and AKJx largely because it is already heavily regulated and has the internal organisation and staff to review and adopt new policies etc. However, it is difficult to predict what will be in the detail of any new regulations that might adversely impact on AKJx.

Governments and government regulators may potentially restrict the ability to exchange crypto assets, which could have a material adverse effect on AKJc's business, financial condition and results of operations.

Investors are unlikely to have full access to all regulatory protections in many jurisdictions, and technical understanding is needed by investors to fully understand the AKJx' characteristics and risks. AKJx give indirect and diversified exposure to the crypto economy which has a history of extreme volatility and vulnerability to dramatic changes. Such effects can spill over to the value of AKJx. The AKJ Ecosystem and the AKJc Platform are exposed to a market with many early stage and experimental business models which give rise to such matters as operational uncertainty and untested third-party exposure. As with early stage investments generally, the value of AKJx may be extremely volatile and vulnerable to large changes. There is a chance of investors losing their entire stake.

Such volatility within the crypto space may have a negative impact on matters such as financial position, acquisition plans, AKJx value, and investment returns.

Future success is dependent on the continued services and performance of Directors and senior management, and the loss of the services of the Directors, members of senior management, and other key employees or consultants could damage the business. Whilst the AKJ Group has entered into service agreements and other arrangements with each of the key people and they are almost all in receipt of options over AKJx, the retention of their services cannot be guaranteed. Historically staff retention within AKJ Group has been very high and it is not anticipated this will change in the next few years. This risk is particularly acute as regards Anders Jensen who is the founder and Chairman of several key companies within the AKJ Ecosystem.

New technology, changing commercial circumstances and new entrants to the market in which the Group operates may impinge on AKJc's business more so than they would on a company in a more mature industry sector. If AKJc is not able to successfully anticipate, invest in, or adopt technological advances in AKJc's industry, it could have a material adverse effect on AKJc's business, financial condition and results of operations.

C3 Marketability of Shares

AKJx are not currently listed on an exchange and so currently there is a limited market for AKJx. The Directors are planning to list the AKJx on a trading market. There is a chance that factors outside of AKJc's control will mean that this does not happen. An investment in AKJx may not be suitable for all recipients of this document. Potential investors are accordingly advised to consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising in investments of this kind before making any investment decisions.

C4 Information

All Investors or potential investors of AKJx ought to read the Important Notice at page 3. This Whitepaper is not an offer to the public of AKJx. It does not contain the same detail as it would do if it was a prospectus. All offers for AKJx will be made pursuant to an exemption under the EU Prospectus Directive (and amendments thereto).

The protections normally arising from the imposition of requirements for retail offers does not apply to this offer. Investors in AKJx are not protected by any statutory compensation arrangements in the event of its failure. No regulator has made any assessment or value judgement on the soundness of AKJc or the accuracy or completeness of statements made or opinions expressed with regard to it.

For those interested in reading more about risks in the crypto sector a warning from the European Banking Authority (EBA) related to cryptocurrencies may be found at: [Joint ESAs Warning on Virtual Currencies.pdf \(europa.eu\)](https://www.eba.europa.eu/en/warning-on-virtual-currencies).

C5 Business Risks

The two main reasons why hedge fund platforms fail are: failure to control costs; and failure to retain successful funds. If AKJ Group management fails in either of these matters, then there will be material adverse consequences.

A slowdown in demand for digital securities/crypto assets and other market and economic conditions could have a material adverse effect on AKJc's business, financial condition and results of operations.

Failure to meet projections for the amount of assets under management or number of funds using the AKJc Platform could have a material adverse effect on AKJx.

Crypto assets are subject to severe regulatory scrutiny and should a user of the AKJc Platform be associated with any misuse of crypto assets traded on the AKJc Platform, AKJc could be exposed to negative publicity, which could have a material adverse effect on AKJc's business, financial condition and results of operations.

The crypto asset industry is still a very young industry, and any negative publicity by players in the space could have an adverse effect on the industry's growth as a whole, which could have a material adverse effect on AKJc's business, financial condition and results of operations.

The estimates of market opportunity and forecasts of market growth included in this document may prove to be inaccurate, and even if the market in which AKJc competes achieves the forecasted growth, AKJc's business could fail to grow at similar rates, if at all.

If AKJc fails to promote, protect and maintain AKJc's brand in a cost-effective manner, AKJc may lose market share and AKJc's revenue may decrease.

AKJc relies on third parties, over which AKJc has no control, in many aspects of its business which creates additional risk, including risks related to the failure of third parties to provide various services that are important to AKJc's operations or to AKJc's ability to comply with legal or regulatory requirements.

If AKJc experiences rapid growth, it may place significant demands on AKJc's operational, administrative, and financial resources and it may be difficult to sustain such growth. If AKJc grows too quickly it may meet scaling problems such as not finding enough good people quickly enough

One of the most worrisome risks in today's environment is hacking and data breaches. There are also potential loss in connectivity (e.g., internet/data), given that the AKJ Ecosystem is a global operation with key people in different places. There are also execution risks such as partners not working well, or an inability to find the right partners at all. Satisfying ever-changing needs of clients within a market that is moving quickly forward can pose problems.

There is a large demand for automated algorithmic trading in Crypto assets. AKJc and AKJ Group have introduced systems for such trading. Such trading can have advantages over traditional forms of trading but trading without human intervention particularly 24/7 trading creates additional risks. Such trading could have a material adverse effect on AKJc's business, financial condition and results of operations.

As indicated above Security Token Offerings are relatively new to the marketplace and regulatory uncertainties exist at present – rules are still being finalised by regulators in many jurisdictions. Investors are unlikely at present to have full access to all regulatory protections in many jurisdictions, and technical understanding is needed by investors to fully understand the AKJx's characteristics and risks. There is a chance of investors losing their entire stake.

AKJx gives indirect and diversified exposure to the crypto economy which has a history of extreme volatility and vulnerability to dramatic changes. Such effects can spill over to the value of AKJx.

The AKJ Ecosystem and the AKJc Platform are in an early stage of development and will be exposed to a market with many early stage and experimental business models which give rise to such matters as operational uncertainty and untested third-party exposure. As with early-stage investments generally, the value of AKJx may be extremely volatile and vulnerable to large changes.

C6 Conflicts of Interests

The following inherent or potential conflicts of interest should be considered by prospective Investors before investing in AKJx:

- C6.1 Certain conflicts of interest are increased by members of the AKJ Group not having a parent subsidiary relationship. AKJ Group consists of AKJt Holdings Limited (the parent company of AKJc) and AK Jensen Group Limited and their respective subsidiaries. Such risks are reduced as both companies are essentially controlled by the same shareholders and the remaining shareholders in both companies are largely the same except AK Jensen Group Limited owns about 30% of AKJt Holdings Limited. There is an intention to ensure a parent subsidiary relationship in the relatively near future and to have the parent company based in a European jurisdiction but in meantime there remains potential conflicts including:
- (a) the directors of each of the entities owe their duties to their respective group companies which could lead to a competitive outcome;
 - (b) it is possible each of those entities who supply services to one another could seek to maximise revenue for itself to the prejudice of the other;
 - (c) AK Jensen Group Limited supplies staff to assist with the work of AKJc which is a subsidiary of AKJt Holdings Limited. In such a scenario it is possible for AK Jensen Group Limited to seek to prioritise work for its own subsidiaries over the work for AKJc;
 - (d) while there is an intra group contract for the supply of services, no contract can be as strong as having a parent-subsidiary relationship.
- C6.2 Many of the Directors and staff of AKJ Group hold shares in AKJt Holdings Limited and AK Jensen Group Limited and also AKJx and several of them earn commissions from selling AKJx. This leads to possible conflicts such as:
- (a) percentages of holding shares may motivate a Director or staff member to favour AKJt Holdings Limited or AK Jensen Group Limited when negotiating inter-company agreements;
 - (b) earning commissions from sales of AKJx may lead Directors and staff to favour the rights of AKJx holders over rights of shareholders;
 - (c) those owning AKJx might want to benefit AKJx holders by increasing the amount of commissions and payments made to AKJc and to increase the amount of net revenue paid to AKJx holders.

- C6.3 Various other conflicts of interest may exist within the AKJ Ecosystem. AKJ Group members, staff, and shareholders:
- (a) in their own names or in the names of third parties, participate in the purchase or sale of securities (which includes AKJx) or other investments from or to the AKJ Group;
 - (b) provide services to the AKJ Group or be employed by, interested in or otherwise associated with a legal or natural person that provides services to the AKJ Group; and/or
 - (c) be otherwise involved in financial, broking, investment or other professional activities which, in the course of their business, may on occasion give rise to conflicts of interest with AKJc and the AKJx.
- C6.4 An introducer's or "finder's" fee of between 0% and 7% is payable from the sum invested into the AKJx to the person(s) (normally internal AKJ staff) involved in introducing the transaction, and investors will be advised of the exact sum applicable to the introducer. For example, if the percentage agreed is 5%, then \$5,000 of the capital raised from a \$100,000 investment will be paid by AKJc to the person(s) involved in introducing the transaction. The investor will still receive Security Tokens for 100% of the investment. AKJ staff members including senior executives have benefitted from these commission payments. A conflict that arises is that the recipients are motivated by the commissions to sell the AKJx rather than maximise the fees paid to the members of the AKJ Group that provide the services.
- C6.5 Anders Kvamme Jensen is a major shareholder in both AKJt Holdings Limited and AK Jensen Group Limited and Chairman and Chief Executive of both and several of their subsidiaries. In such a position he has power and influence to favour either AKJx holders or AKJt Holdings Limited or AK Jensen Group Limited.
- C6.6 The funds raised from the sale of AKJx have been utilised in the development of the AKJ Ecosystem, with excess cash invested at the discretion of the Directors of AKJc into projects or opportunities within the AKJ Ecosystem or elsewhere without any defined investment policy. AKJc has no obligation (however arising) to investors, which is legally enforceable by them, to follow any investment policy.
- C6.7 As a general matter, the Directors owe certain fiduciary duties which require them, among other things, to act in good faith and in what they consider to be in the best interests of the company or companies they represent and in doing so, the Directors will act in a manner that ensures the fair treatment of the investors in such company or companies. In exercising their discretions the Directors will act in accordance with such fiduciary duties.
- C6.8 In all the above circumstances, AKJ Group directors and staff will have appropriate regard to their respective obligations under the agreements appointing them when potential conflicts of interest may arise. Having regard to these obligations, AKJc may buy investments from or sell investments to such persons, or engage the services of such persons in consideration for remuneration. Should a conflict of interest arise, the Directors will endeavour to ensure that it is resolved fairly and that AKJc shall not be disadvantaged.

C6.9 In particular, in terms of the laws and Regulations applicable to it, AKJc will be required among other matters:

- (a) to take all reasonable steps to avoid, and to establish, implement and apply, a conflicts of interest policy, procedures and arrangements for the identification, prevention, management and monitoring of conflicts of interests that arise in the course of managing AKJx, in order to prevent such conflicts from adversely affecting the interests of AKJx holders and to ensure that AKJx holders are treated fairly;
- (b) where arrangements made by AKJc to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to AKJx holders' interests will be prevented, to clearly disclose the general nature or sources of conflicts of interest to AKJx holders and to develop appropriate policies and procedures;
- (c) to segregate, within its own operating environment, tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflicts of interest and to disclose to AKJx holders any material conflicts of interest which may be involved in its operating conditions;
- (d) to adopt sound remuneration practices and policies which mitigate conflicts of interest and to abide by such rules on inducements, as will ensure that the AKJx holders acts honestly, fairly and in accordance with the best interests of the AKJx holders in conducting its activities;
- (e) to have adequate internal control mechanisms including, in particular, rules for personal transactions by its officers and employees and for the holding or management of AKJx.

C6.10 The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in AKJx.