Disclosure on application of US insolvency and customer protection rules

This report is made by BTech Services Limited (the "Reporting Entity"), on behalf of BTech Holdings Limited (the "Issuer").

The Issuer maintains its holdings of the underlying U.S. equities securities at Alpaca Securities LLC ("Alpaca"), a U.S. broker-dealer and member of the Securities Investor Protection Corporation ("SIPC"). SIPC provides coverage of up to $500,000 per customer (including a $250,000 limit on cash claims) in the event of the insolvency of a SIPC-member broker-dealer; this coverage limit applies at the customer level rather than the account level. The Issuer, as the account holder at Alpaca, is a "customer" of Alpaca for purposes of SIPC. Certificate holders are not in direct contractual privity with Alpaca and are not themselves account holders at Alpaca. Whether Certificate holders would have any pass-through or indirect benefit from the Issuer's SIPC entitlement in the event of Alpaca's insolvency depends on the application of U.S. insolvency and customer protection rules to the specific custody structure employed by the Issuer. Under SIPC guidance applicable to accounts with underlying beneficial ownership of multiple third parties, underlying beneficial owners may be treated as separate "customers" of the clearing firm—and thus each individually eligible for up to $500,000 in SIPC coverage—if it can be demonstrated that the net equity in the account arose from those beneficial owners' individual transactions and that adequate records exist to trace such interests. This aforementioned SIPC guidance is referred to here because the Issuer is of the view that it is most analogous to the Issuers present account set up. The Issuer holds the underlying securities in trust for the benefit of Certificate holders, and the blockchain on which the Certificates are recorded provides a ledger delineating each Certificate holder's interest; however, Alpaca does not itself maintain this subledger, and neither SIPC's rules nor its published guidance directly address this novel custody structure. Accordingly, in the event of Alpaca's insolvency, Certificate holders seeking SIPC protection would need to file claims with the bankruptcy trustee or court and demonstrate their entitlement to customer status, and there can be no assurance that such claims would be successful or that the $500,000 per-customer coverage limit would be applied on a per-Certificate holder basis rather than solely at the Issuer level.

13 Jul 2026