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LEGAL OPINION

on the legal status of POLAR TENSOR CORP. and its entitlement to provide virtual currency services under legislation of the Republic of Panama

From: Mihhail Šerle, Lawyer at Gofaizen & Sherle OÜ

Date: 29 August 2025

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1. INTRODUCTION

1.1. This legal opinion (hereinafter – LO) is prepared and reviewed by lawyer Mihhail Šerle (employee of Gofaizen & Sherle OÜ, a company incorporated in Estonia, registry code: 16295888), who has an LL.M at Tallinn University (Republic of Estonia).

1.2. This LO is prepared by request of POLAR TENSOR CORP. (hereinafter – the Company).

Disclaimers

1.1. This LO is based on received documents, information and publicly available sources (incl. Republic of Panama legislation) last reviewed on **29.08.2025**. Any change in facts, provided documents, data, or information requires a new assessment. We do not assume any liability for damage or losses caused by incorrect, incomplete or misleading data, information and/or documents.

1.2. We do not express any opinion with regard to any system of law other than the laws of Republic of Panama. If the business activity extends to foreign jurisdictions other than Republic of Panama, the Company should obtain separate legal expertise for each jurisdiction that is considered a target market.

1.3. Although the LO presents a legal analysis supported by Republic of Panama law, there remains the risk that the relevant institutions or courts will assess the factual circumstances in a different manner.

1.4. It should be noted that information and comments stated in the LO cannot be considered complete and final. The regulation of virtual currencies is still developing in Republic of Panama. The information provided in LO may not cover all possible information and legal regulation. In addition, the LO does not assess the full compliance of the Company with its obligations under Republic of Panama law in connection to the Company's entitlement to provide virtual currency services and assesses the aforementioned based on the publicly available information accessible in the governmental databases specified in this LO.

1.5. Gofaizen & Sherle OÜ or its employees are not responsible for the correctness, completeness and accuracy of data contained in checked public websites, databases, information systems, registers and received documents, information. Our liability for any damage for which we are responsible shall be limited to the amount of the fees paid by the

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Company to us for the preparation of this LO. We shall be liable for deliberate and grossly negligent conduct only. No third party can bring a claim against Gofaizen & Sherle OÜ or any of its partners or any of its employees.

1.6. The LO is provided solely for the benefit of the Company and may not be used or relied on by any other person or for any other purpose, nor may LO be quoted in whole or in part or otherwise referred to, without the prior written consent of Gofaizen & Sherle OÜ.

2. LEGAL STATUS

2.1. According to the deed of incorporation, dated 21.08.2025, from the Public Registry of Panama[1] accompanying the articles of incorporation dated 14.10.2024, the Company was recorded in (mercantile) folio No. 155771852 on 21.08.2025 9:41 AM.

2.2. According to the certificate of incorporation, issued in the province of Panama on 21.08.2025 at 11:41 AM, from the Public Registry of Panama[2]:

2.2.1. the type of the Company is a corporation;

2.2.2. the Company is in force and its duration is perpetual;

2.2.3. the domicile of the Company is Panama, Province of Panama;

2.2.4. the directors of the Company are:

2.2.4.1. director/president Felix Bick;

2.2.4.2. director/secretary Veronica Camaño;

2.2.4.3. director/treasurer Rosaura Estela Ramos Aparicio.

2.3. According to the certificate of incorporation, there are no remaining entries in process.

3. VIRTUAL CURRENCY SERVICES

3.1. In accordance with Article 19 (11) under Section 2 of the Law 32 of 1927 on Corporations (hereinafter – Law on Corporations)[3], on the powers of corporation, every corporation organized pursuant to the Law on Corporations shall have the power to do all things necessary in carrying out the purposes enumerated in its articles of incorporation or any amendment thereof, or whatever becomes necessary or expedient for the protection and benefit of the corporation and, in general, to perform any lawful business even though not similar to any of the purposes specified in the articles of incorporation or in the amendments thereof.

3.2. In accordance with Article 6 under Section 1 of the Law on Corporations, on the formation of corporations, the public instrument or protocolized document containing the articles of incorporation must be filed for registration at the Mercantile Registry. The incorporation of the company shall have no effect with respect to third parties until the respective articles of incorporation has been registered.

3.2.1. **Mercantile Registry is a section of the Public Registry of Panama and pursuant to section 2.1 of this LO the Company is registered in the Public Registry of Panama as of 21.08.2025**

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[1] https://registro-publico.gob.pa/
[2] https://registro-publico.gob.pa/
[3] https://supervalores.gob.pa/wp-content/uploads/2021/03/Ley-32-de-1927.pdf

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and according to section 2.2.2 of this LO, the Company is in force. Therefore, it may be concluded that the Company is organized pursuant to Law on Corporations.

3.3. In accordance with the information contained in the Opinion No. 5-2023 of the Republic of Panama Superintendency of the Securities Market dated 24 August 2023 (hereinafter – Opinion No. 5-2023)[4] regarding the obligation of a Panamanian corporation to obtain a license for carrying out certain activities related to cryptocurrency and cryptocurrency derivatives, the Republic of Panama Superintendency of the Securities Market (hereinafter – SSM) has expressed the following opinions in Opinion No. 5-2023 as well as other administrative rulings:

3.3.1. Virtual currency is not considered a "currency" according to the laws of the Republic of Panama as virtual currency has not been given any inherent value in the Republic of Panama. In accordance with the Opinion No. 7-2018 of the Republic of Panama SSM dated 15 November 2018 (hereinafter – Opinion No. 7-2018)[5], the SSM says that the concept of "security", as defined in number 66 of Article 49 of the Securities Market Law, "does not cover currencies and/or virtual currencies". Additionally, in accordance with the Opinion No. 1-2023 of the Republic of Panama SSM dated 23 March 2023 (hereinafter –Opinion No. 1-2023)[6], the SMM specifies that virtual currencies are excluded from the concept of "financial assets", adding also that the legal nature of virtual currencies has not yet been defined in the Republic of Panama.

3.3.2. The offering and trading of cryptocurrencies and virtual assets are not activities subject to regulation and supervision by the SSM. Opinion No. 7-2018 states that the SSM "does not have legal powers to regulate or supervise these technological platforms," referring to platforms that facilitate the exchange of cryptocurrencies or virtual money. In addition, Opinion No. 7-2018 specifies that a corporation duly incorporated in Panama which carries out from a virtual platform the activity of exchange of virtual currencies or cryptocurrencies, using bitcoin as currency and with a view to add other cryptocurrencies, taking into account that the Company is not public and is not entering the Stock Exchange is not required to communicate or notify the SSM of the commencement of its activities.

3.4. In Opinions No. 1-2023 and No. 5-2023 the SSM draw attention to the FATF definition of virtual asset service providers (hereinafter – VASPs) and underline its importance for the SSM. The FATF defines VASP as any natural or legal person that is not covered elsewhere under the Recommendations and that, as a business, performs one or more of the following activities or transactions for or on behalf of another natural or legal person:

3.4.1. exchange between virtual assets and fiat currencies;

3.4.2. exchange between one or more forms of virtual assets;

3.4.3. transfer of virtual assets;

3.4.4. custody and/or management of virtual assets or instruments that allow control over virtual assets;

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[4] https://supervalores.gob.pa/opiniones/opiniones-2023/

[5] https://supervalores.gob.pa/opiniones/opiniones-2018/

[6] https://supervalores.gob.pa/opiniones/opiniones-2023/

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3.4.5. participation and provision of financial services related to the offer and/or sale of a virtual asset of an issuer.

3.5. In accordance with the aforementioned, cryptocurrencies and the provision of cryptocurrency services for cryptocurrencies and cryptocurrency derivatives is currently not directly regulated, including not prohibited, under the laws of the Republic of Panama, including under the Law on Corporations. Therefore, it may be concluded that the provision of cryptocurrency services can be considered a lawful business under the Law on Corporations which may be performed by a corporation duly organized pursuant to the Law on Corporations.

4. CONCLUSION

According to the abovementioned:

4.1. POLAR TENSOR CORP. is a corporation organized pursuant to Law on Corporations and therefore may carry out cryptocurrency services for cryptocurrencies and cryptocurrency derivatives as lawful business under the Law on Corporations.

4.2. The above data is publicly available for third persons in the governmental databases.

4.3. It is important to note that due to the absence of direct regulation covering certain activities related to cryptocurrency and cryptocurrency derivatives in Panama, rendering services with cryptocurrencies and cryptocurrency derivatives inside the territory of Panama could trigger a contingency for a Panamanian company offering such services in case the local authority was to exercise its supervisory faculties on it. This should not be an issue when rendering services outside of the Panamanian territory.

Mihhail Šerle
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