

STRUCTURAL AND COMPLIANCE MEMO – Empowerment Holding & EMX Token

Date: March 2025

1. Context and Corporate Structure

Empowerment Holding is a holding company with a corporate purpose limited to acquiring and managing equity in Italian and foreign companies, as well as providing technical, administrative, and financial coordination of its subsidiaries. It is expressly excluded from carrying out such activities toward the public.

The company is privately and family-owned, with 50% held by each of the two founding partners (Andrea Cesaretti and Ludovica Cesaretti).

Currently, the holding owns:

50% of Slenos Srl

51% of Fondamenta Srl

a Participatory Financial Instrument (SFP) in Digital Force Srl

2. Purpose and Characteristics of the EMX Token

Empowerment Holding has issued a utility token named EmpowerX (EMX) with the following features:

- Blockchain: Avalanche C-Chain
- Total supply: 5,400,000 EMX
- Initial price: 0.20 USDT
- Tokenomics: the token is intended for staking, participatory governance, and access to ecosystem functionalities
- No dividend or profit rights
- No promise of returns

The EMX token does not represent company shares or economic rights over the results of the holding or its subsidiaries. It is exclusively designed as a tool for access and engagement within the EmpowerX DAO community and governance.

3. Non-Qualification as a Collective Investment Vehicle

According to the AIFMD Directive and Italian law (TUF, Art. 100 et seq.), a collective investment undertaking is defined as an entity that:

- collects capital from multiple investors,
- invests it in financial instruments or other assets,
- manages it collectively,
- in return for a shared expectation of return.

In the case of Empowerment Holding:

- there is no fundraising with a promise of returns;
- there is no profit redistribution to token holders;

- the economic benefits from participations in incubated companies remain entirely within the holding;
- the EMX token is not a financial instrument, but a MiCAR-compliant utility token;
- any holdings in startups are acquired using the company's own capital, entirely separate from EMX token proceeds.

Therefore, Empowerment Holding does not qualify as a collective investment manager and does not require authorization from Consob or the Bank of Italy.

4. Defensive Structure and Proactive Compliance

To reinforce compliance, the company has adopted a three-layer structure:

- The Holding issues the token and manages incubation and support activities;
- The EmpowerX DAO is a participatory governance system based on staking and voting;
- A potential investment vehicle may acquire shares or tokens of incubated startups using its own capital, limited to professional investors and in accordance with the AIFMD framework.

Even if the holding decides to acquire equity in incubated companies directly, it remains compliant provided that:

- the capital used comes from proprietary resources, not EMX token sales;
- no economic rights are conferred to token holders;
- all public communication avoids any reference to returns or investment profits related to EMX ownership.

5. Conclusion

Based on the operational and statutory structure of the holding, and the methods of issuance and use of the EMX token:

- Empowerment Holding does not constitute an investment fund or collective asset manager;
- EMX is a utility token with no promise of return, fully compliant with the MiCAR Regulation;
- The holding operates within the domain of private management, in full compliance with Italian and European law;
- Any equity acquisitions are legitimate as long as they are carried out with proprietary resources and without linking them to the EMX token.

Andrea Cesaretti

Co-Ceo, Empowerment Laboratory Società Semplice

March 2025