



Proof of Reserve Report

Agreed-Upon Procedures Report

Prepared for: [Crypto.com](https://crypto.com)

December 9, 2022
By Mazars

Executive Summary

Mazars was engaged by Foris DAX MT Limited (“Crypto.com”) to perform Proof of Reserves (“PoR”) agreed-upon procedures (“AUP”) as of 00:00:00 UTC on 7 December 2022 to demonstrate that Crypto.com has ownership of the BTC, ETH, USDC, USDT, XRP, DOGE, SHIB, LINK, and MANA (*In-Scope Assets*) greater than or equal to the corresponding client liabilities per the *Customer Liability Report* observed at the reporting date.

Upon performing the agreed-upon procedures, Mazars observed that the % reserve ratios for each asset class (calculated by dividing the nominal amount of *In-Scope Assets* controlled by Crypto.com and reported in *Asset Balance Reports* by the *In-Scope Assets* as per the *Customer Liability Report*) are as follows:

In-Scope Asset	Reserve ratio
BTC	102%
ETH	101%
USDC	102%
USDT	106%
XRP	101%
DOGE	101%
SHIB	102%
LINK	101%
MANA	102%

The nominal amounts of assets and liabilities are not disclosed in this report due to confidentiality reasons.

The procedures and their corresponding findings are presented in this report and are intended for the use of Crypto.com Management and clients of Crypto.com.

9 December 2022

Foris DAX MT Limited
Level 7, Spinola Park,
Triq Mikiel Ang Borg,
St Julian's SPK1000
Malta

Dear Sir / Madam

FORIS DAX MT LIMITED (“CRYPTO.COM”) – PROOF OF RESERVE (“POR”) REPORT

Our report is solely for the purposes of offering Crypto.com's customers additional transparency and reassurance that their *In-Scope Assets* are fully reserved, exist on the blockchain(s) and are under the control of Crypto.com at the below mentioned reporting date. For the purpose of this Agreed-Upon Procedures (“AUP”) engagement the term “fully reserved” will be defined as where Crypto.com's *In-Scope Assets* are equal to or greater than the net liability of *In-Scope Assets* as per the *Customer Liability Report* owed to and receivable from customers.

For the purpose of this engagement, the customers' spot and margin accounts for BTC, ETH, USDC¹, USDT, XRP, DOGE, SHIB, LINK, and MANA held on the Bitcoin, Ethereum, Avalanche, Ripple, Polygon, Dogecoin, Arbitrum and Optimism blockchains/networks will be defined as the *In-Scope Assets*.

Crypto.com has requested that we perform an AUP engagement on the customers' cryptocurrency holdings and corresponding liability of funds owed to the customers of Crypto.com as at 00:00:00 Universal Time Coordinate (“UTC”) on 7 December 2022 (“the reporting date”). The management of Crypto.com acknowledges that the AUP are appropriate for the purpose of the engagement and are responsible for the subject matter on which the AUP are performed.

We have conducted the AUP engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An AUP engagement involves us performing the procedures that have been agreed with Crypto.com, and reporting the findings, which are the factual results of the AUP performed. We make no representation regarding the appropriateness of the AUP.

This AUP engagement is not an assurance (financial audit) engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported. Our report does not cover any transactions and/or balance holdings of Crypto.com after the reporting date or address any other assessments beyond the scope of this engagement.

We have complied with the relevant ethical requirements. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

¹ USDC customer liabilities include USD Bundle on Crypto.com Exchange

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222
Partners: MV Ninan (CEO), MC Olckers (Managing Partner), C Abrahamse, JM Barnard, AK Batt, T Beukes, DS Dollman, M Edelberg, Y Ferreira, T Gangen, R Groenewald, AK Hoosain, MY Ismail, N Jansen, J Marais, B Mbunge, FN Miller, G Molyneux, A Moruck, S Naidoo, MG Odendaal, W Olivier, M Pieterse, W Rabe, D Resnick, BG Sacks, MA Salee, N Silbowitz, SM Solomon, HH Swanepoel, AL Swartz, MJA Teuchert, N Thelander, JC Van Tubbergh, N Volschenk, J Watkins-Baker



Our firm applies International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PROCEDURES AND FINDINGS

We have performed the procedures described below, which were agreed upon with Crypto.com on the POR report.

	Procedure	Findings
1	Obtain from management the <i>Asset Balance Reports</i> for the <i>In-Scope Assets</i> as at 00:00:00 UTC on 7 December 2022 that list and quantify the nominal balances of all customers' <i>In-Scope Assets</i> held by Crypto.com.	We obtained from management the <i>Asset Balance Reports</i> for the <i>In-Scope Assets</i> as at 00:00:00 UTC on 7 December 2022 that list and quantify the nominal balances of all customers' <i>In-Scope Assets</i> held by Crypto.com.
2	Obtain from management a full listing of all <i>In-Scope Assets</i> ' public keys/addresses that constitutes the nominal balances included in the <i>Asset Balance Reports</i> referred to in procedure 1 as at 00:00:00 UTC on 7 December 2022.	We obtained from management a full listing of all <i>In-Scope Assets</i> ' public keys/addresses that constitutes the nominal balances included in the <i>Asset Balance Reports</i> referred to in procedure 1 as at 00:00:00 UTC on 7 December 2022.
3	Independently obtain the nominal balance, as at 00:00:00 UTC on 7 December 2022, of each of the public keys/addresses obtained as part of procedure 2 from their respective blockchains.	We independently obtained the nominal balance, as at 00:00:00 UTC on 7 December 2022, of each of the public keys/addresses obtained as part of procedure 2 from their respective blockchains.
4	Compare the total nominal balance of each blockchain's <i>In-Scope Asset</i> obtained in procedure 3 to the <i>Asset Balance Reports</i> obtained in procedure 1 and document any variances greater than 1%.	We compared the total nominal balance of each blockchain's <i>In-Scope Asset</i> obtained in procedure 3 to the <i>Asset Balance Reports</i> obtained in procedure 1 and did not find any variances greater than 1%.
5	<p>For each of the public keys/addresses obtained in procedure 2, perform "instructed movement of funds", where management is instructed to move a specific amount from a public key/address on a specific time and obtain the transactional hash to verify the instructed transaction on the respective blockchain.</p> <p>This procedure corroborates that Crypto.com has ownership over the private key(s) associated with the public key/addresses referred to in procedure 2 and controls the funds held in the public key/address as at 00:00:00 UTC on 7 December 2022.</p>	<p>For each of the public keys/addresses obtained in procedure 2, we performed "instructed movement of funds", whereby management was instructed to move a specific amount from a public key/address on a specific time. We obtained the transactional hash to verify the instructed transaction on the respective blockchain.</p> <p>This procedure corroborates that Crypto.com has ownership over the verified public keys/addresses referred to in procedure 2 and controls the funds held in those public keys/addresses as at 00:00:00 UTC on 7 December 2022.</p>

6	<p>Obtain and inspect the scripts used by management to extract the <i>Customer Liability Report</i> from the database to ensure the logic and the parameters are designed to extract a complete and accurate listing of client liability balances of the <i>In-Scope Assets</i> as at 00:00:00 UTC on 7 December 2022 while excluding any internal accounts. Observe management access the database and execute the scripts to extract the relevant data from the database. Obtain the data produced from management (i.e. the <i>Customer Liability Report</i>) and perform a row count and sum check on the data set to ensure that the data extracted is complete.</p>	<p>We obtained and inspected the scripts used by management to extract the <i>Customer Liability Report</i>² from the database. Based on management’s explanation of the various parameters we ensured that the logic and the parameters are designed to extract a complete and accurate listing of client liability balances of the <i>In-Scope Assets</i> as at 00:00:00 UTC on 7 December 2022 while excluding any company internal accounts. It was found that the script was queried against the latest production data at the time of the data extract, which showed latest updated time as of 23:59:59 UTC on 6 December 2022. We observed management access the database and execute the scripts to extract the relevant data from the database. We subsequently obtained the data produced from management (i.e. the <i>Customer Liability Report</i>) and performed a row count and sum check on the data set. We did not identify any discrepancies based on the row count and sum check performed.</p>
7	<p>Inspect the customer liability report for any duplications of user ID’s</p>	<p>We inspected the <i>Customer Liability Report</i>, obtained in procedure 6 for any duplication of user ID’s. No duplication of Record ID’s were identified in the data sets.</p>
8	<p>Using the Mazars’ Silver Sixpence Merkle Tree Generating tool, aggregate the client data obtained from management in procedure 6 and compute the Merkle Root Hash, which will allow Crypto.com clients to verify their Merkle Leaf independently and cryptographically as being part of the Merkle Root as at 00:00:00 UTC on the 7 December 2022</p>	<p>Using the Mazars’ Silver Sixpence Merkle Tree Generating tool³, we aggregated the client data obtained from management in procedure 6 and computed the Merkle Root Hash. The Hash for the Merkle Root based on the information supplied in procedure 6 is e535cf418ab603cc4b338069a814037d53c50bf37dc5776631f3d9c3110e08af</p>
9	<p>Aggregate the nominal value per asset class on the <i>Asset Balance Reports</i>, which was reconciled to the self-custodied cryptocurrencies listed in procedure 2, and compare these aggregated balances per asset class to the <i>Customer Liability Report</i>. Conclude whether the nominal value of all <i>In-Scope Assets</i> as per the <i>Asset Balance Reports</i> are equal to or greater than the net liability of funds owed to and receivable from the customers as per the <i>Customer Liability Report</i> and therefore meets the definition of being fully reserved.</p>	<p>We aggregated the nominal value per asset class on the <i>Asset Balance Reports</i>, which was compared to the self-custodied cryptocurrencies listed in procedure 2, and compared these aggregated balances per asset class to the <i>Customer Liability Report</i>. We found that Crypto.com was fully reserved for all of its <i>In-Scope-Assets</i>.</p>

² The customer liability report does not differentiate BTC, ETH, USDC, USDT, XRP, DOGE, SHIB, LINK, and MANA between their native and non-native blockchains therefore they will be assessed interchangeably with assets held on different blockchains for the purpose of this engagement.

³ The Silver Sixpence Merkle Tree Generating tool forms part of Mazars’ Veritas service solution whereby we aim to bring trust and transparency to all stakeholders in the industry. Customers of Crypto.com can independently verify their account being part of the attestation on the Mazars Veritas website <https://veritas.mazars.com/cryptocom/>. The source code for the Merkle Tree Verification can be found here <https://github.com/silversixpence-crypto/merkle-tree-verify>

10	Calculate the % reserve ratio per asset class by dividing the <i>In-Scope Assets</i> as per the <i>Asset Balance Reports</i> by the <i>In-Scope Assets</i> as per the <i>Customer Liability Report</i> .	We calculated the % reserve ratio per asset class by dividing the <i>In-Scope Assets</i> as per the <i>Asset Balance Reports</i> by the <i>In-Scope Assets</i> as per the <i>Customer Liability Report</i> . We found that the assets were fully reserved as listed in the below Appendix.
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Appendix

In-Scope Asset	Reserve ratio
BTC	102%
ETH	101%
USDC	102%
USDT	106%
XRP	101%
DOGE	101%
SHIB	102%
LINK	101%
MANA	102%

**MAZARS****Partner: Wiehann Olivier****9 December 2022****South Africa**