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Private & confidential

The Directors
Blackfridge SC Limited
55 Athol Street
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IM1 1BL

30 March 2023

Dear Directors

Engagement to perform agreed upon procedures on Poundtoken Stable Coins in issuance relative to fiat reserve account balance across the Blackfridge Smart Contract – For the month of January 2023

Our report is solely for the purpose of assisting Blackfridge SC Limited (the “Company”) to comply with its licencing conditions clause 4 and may not be suitable for any other purpose.

The Company is required to have its auditor report on its monthly reconciliation of the balance in its segregated accounts and the volume and value of Poundtoken stablecoins (“GBPT”) in issue across its GBPT smart contract proxy at address 0x86B4dBE5D203e634a12364C0e428fa242A3FbA98 (the “Smart Contract”). The Smart Contract underwent an independent third party review by Orange Cyberdefense UK Limited on 18 May 2022.

Responsibilities

We have carried out certain agreed upon procedures which we have agreed with the Directors of the Company in respect of above.

The Company’s Directors have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

This report is provided pursuant to, and must be read in conjunction with, our engagement letter dated 17 March 2023 and is subject to the terms and limitations set out therein.

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the

findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

The procedures do not constitute either an audit or a review in accordance with International Standards on Auditing or International Standards on Review Engagements and, as such, no opinion is expressed. Had we performed an audit or review, other matters might have come to light that would have been reported.

Professional Ethics and Quality Control

We have complied with the relevant ethical requirements and independence requirements in the FRC Ethical Standard.

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 the Company's Directors:

	Procedures	Findings
1	Obtain an independently sourced written bank confirmation of the segregated accounts balance from the Company's banker of the cash balance for the reporting month end and compare this balance to the amount recorded in the Company financial statements noting the confirmed cash balance.	We obtained an independent bank confirmation of the segregated account balance as at 31 January 2023 and compared this to the amount recorded in the Company's financial statements. No differences were noted.
2	Obtain independently a written confirmation from Hash Data, the Company's independent Smart Contract verifier, confirming the	We obtained an independent confirmation confirming the aggregated

	aggregated value of GBPT in issuance across the Smart Contract for the month end and as of the same date as the bank confirmation.	value of GBPT in issuance across the Smart Contract as at 31 January 2023 the month end. The Smart Contract address as per the Hash Data confirmation matches the address in the Orange Cyberdefense UK Limited report dated 18 May 2022.
3	Compare the cash balance, independently confirmed by the Company's bankers, with the aggregated value of GBPT in issuance across the Smart Contract, as reported by Hash Data, for the respective reporting month end.	No differences were noted in the comparison.

Our report was designed to meet the agreed requirements of the Company determined by the Company's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at their own risk. To the fullest extent permitted by law, KPMG Audit LLC will accept no responsibility or liability in respect of our opinion to any other party.

This letter is for your benefit and information only and, save as set out in our engagement letter, is not to be copied, referred to or disclosed, in whole or in part, without our prior written consent.

Yours sincerely



KPMG Audit LLC