



PRIVATE AND CONFIDENTIAL

Hold harmless letter in relation to the report of factual findings in connection with the Escrow Holdings Report prepared by the management of NOS Stablecoin Limited

In connection with NOS Stablecoin Limited, PricewaterhouseCoopers (“we”) understand that third parties, including, but not limited to, stablecoin holders and other prospective customers of NOS Stablecoin Limited (“you”), have requested a copy of our Report of factual findings in connection with the Escrow Holdings Report prepared by the management of NOS Stablecoin Limited dated 15 February 2019 (the “Report”). NOS Stablecoin Limited (“our client”), to whom the Report is addressed, has confirmed that a copy of the Report may be provided to you.

We will allow a copy of the Report to be made available to you but only on the basis that you agree that:

1. we accept no liability (including liability for negligence) to you in relation to the Report. The Report is provided to you for information purposes only. If you do rely on the Report, you do so entirely at your own risk.
2. you will not bring a claim against us which relates to the provision of the Report to you.
3. neither the Report, nor information obtained from it, may be made available to anyone else without our prior written consent, except where required by law or regulation.
4. the Report was prepared with our client’s interests in mind. It was not prepared with your interests in mind or for your use. The Report is not a substitute for any enquiries that you should make.

This letter and any dispute arising from it, whether contractual or non-contractual, will be governed by Maltese law and be subject to the exclusive jurisdiction of the Maltese courts.

By clicking on the consent button prior to accessing this report, you have confirmed your acceptance to the above terms.



The Directors
NOS Stablecoin Limited
93, Mill Street,
Qormi, QRM 3102,
Malta

08 March 2019

Dear Sirs,

Report of factual findings in connection with the Escrow Holdings Report prepared by the management of NOS Stablecoin Limited

NOS Stablecoin Limited (the “Company” or “NOS”), a company incorporated in Malta on 30 July 2018, has issued NOLLAR, a type of digital currency known as ‘stablecoin’. NOS has appointed Prime Trust, LLC as the central entity (custodian) which holds fiat currency (US Dollar) as collateral securing the value of NOLLAR with the stablecoin in circulation being represented by the funds held in escrow by the said entity.

In terms of our agreement dated 30 January 2019, we have performed the procedures agreed with you and listed below with respect to the value of the fiat currency held as collateral by Prime Trust, LLC as disclosed in the accompanying *Escrow Holdings Report* prepared by management as at 15 February 2019. The directors of NOS have prepared the Escrow Holdings Report as at 15 February 2019 and remain solely responsible for it and for the creation and maintenance of all accounting and other records supporting its contents. Appendix 1 includes a copy of the Escrow Holdings Report, which we have initialled for identification purposes only.

Our work was performed in accordance with the International Standard on Related Services (ISRS) 4400 *Engagements to perform agreed-upon procedures regarding financial information.* The procedures were performed solely for the purposes of confirming the amount of fiat reserves held in escrow with Prime Trust, LLC (“Information”) as at 15 February 2019 indicated in the Escrow Holdings Report (except where stated otherwise) that is to be disclosed by the Company on its website. Such Information is duly marked within the Escrow Holdings Report by the following symbols: ‘Ω’ and ‘Ø’, as explained below. We have not carried out procedures on any other information provided within the Escrow Holdings Report.

In this respect, we have agreed the Information to one or more of the following sources, as indicated in the Escrow Holdings Report by carrying out the following procedures:

- a. we have electronically verified the amount of fiat reserves held in escrow as at the reporting date by obtaining read-only access to the Company’s escrow account held with Prime Trust, LLC.
- b. we have sent confirmation requests to Prime Trust, LLC as the designated custodian of fiat reserves held in escrow.
- c. the amount of fiat reserves held as per the Escrow Holdings Report as at the reporting date was compared to the amount confirmed as per our procedures in point (a) and (b), indicated in the document through the symbols ‘Ω’ and ‘Ø’, respectively.



Based on the above procedures we found that:

- i. the amount of fiat reserves held in the Company's escrow account as at 15 February 2019, as per our electronic verification process, amounts to \$1,050,324.39
- ii. the amount of fiat reserves held in the Company's escrow account as at 15 February 2019, as confirmed directly by Prime Trust, LLC amounts to \$1,050,324.39; and
- iii. the amount of fiat reserves held as per the Escrow Holdings Report, as at the reporting date, agrees to the balance of fiat reserves determined as per our electronic verification process and the confirmation received directly from Prime Trust, LLC as per our procedures in points (i) and (ii) above.

Because the above procedures, as stated in our agreement, do not constitute either an audit or a review in accordance with International Standards on Auditing, we do not express any assurance on the Escrow Holdings report as at 15 February 2019. Had we performed additional procedures or had we performed an audit or review of the Escrow Holdings Report in accordance with International Standards on Auditing, other matters might have come to our attention that we would have been reported to you.

As part of our procedures, we have not verified the existence or valuation of any stablecoin in circulation. Additionally, we have not confirmed that the balance of issued and outstanding stablecoin in circulation at 15 February 2019 does not exceed the balance of fiat reserves report in the Escrow Account(s) at the same date.

Our report relates only to the Escrow Holdings Report as at 15 February 2019 and does not extend to any financial statements of the company taken as a whole.

This report is solely for your use in connection with the purpose specified above and as set out in our engagement letter; it is not to be used for any other purpose or to be copied or distributed or otherwise made available or referred to, in whole or in part, to any other party without our prior written consent. We do not accept any liability or responsibility to any third party to whom our report is shown or into whose hands it may come.

PricewaterhouseCoopers

78 Mill Street
Qormi
QRM 3101
Malta

A handwritten signature in black ink, appearing to read 'Fabio Axisa', written over a horizontal line.

Fabio Axisa
Partner

NOS Stablecoin Limited
93, Mill Street,
Qormi, QRM 3102,
Malta

Escrow Holdings Report
15 February 2019

Balance of Escrow Account(s): \$1,050,324.39 *N.O.*

Notes:

1. The USD balance in the Escrow Account is held at Prime Trust, LLC (the "Escrow Agent") for the benefit of the Nollar stablecoin holders as agreed to within the Escrow Agreement(s).
2. In the event of Escrow Agent's insolvency, recovery of the USD Balance in the Escrow Account with the Escrow Agent may be limited to account insurance or other protection afforded such deposits.
3. As agreed to within the Escrow Agreement(s), NOS Stablecoin Limited and the Escrow Agent are not entitled to any funds at any time and no amounts deposited into the Escrow Account(s) shall become the property of NOS Stablecoin Limited, the Escrow Agent, or any other entity, or be subject to any debts, liens or encumbrances of any kind of NOS Stablecoin Limited, the Escrow Agent, or any other entity.
4. There are no liens, claims or security interests in any funds within the Escrow Account(s) at the Escrow Agent.
5. There are no resignation proceedings in process by the Escrow Agent and no known conditions which would allow the immediate termination of the Escrow Agreement(s).
6. NOS Stablecoin Limited has evaluated subsequent events through 15 February 2019, the date the report is available to be issued, and has determined that there are no subsequent events that require disclosure.

To the best of the knowledge and belief of the undersigned, the information contained in the Escrow Holdings Report as of 15 February 2019 is accurate and complete.

Jean Paul Busuttil

Jean Paul Busuttil
Director
NOS Stablecoin Limited

8 March 2019

Date

Initialed on Behalf of
PwC Malta
FOR IDENTIFICATION PURPOSES ONLY
PWC

