

Independent Accountant's Report

Tezos Stable Technologies, Ltd.  
Road Town, Tortola, British Virgin Islands

We have examined the Collateral Holdings Report as of January 20, 2023 at 2:00 PM PT in accordance with the measurement and disclosure criteria presented in the accompanying Notes to the Collateral Holdings Report. Management of Tezos Stable Technologies, Ltd. (the "Company") is responsible for presenting the Collateral Holdings Report in accordance with the measurement and disclosure criteria in the accompanying Notes to the Collateral Holdings Report. Our responsibility is to express an opinion on the Collateral Holdings Report as of January 20, 2023 at 2:00 PM PT based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Collateral Holdings Report as of January 20, 2023 at 2:00 PM PT is presented in accordance with the measurement and disclosure criteria in the accompanying Notes to the Collateral Holdings Report, in all material respects. An examination involves performing procedures to obtain evidence about the Collateral Holdings Report as of January 20, 2023 at 2:00 PM PT and the accompanying Notes to the Collateral Holdings Report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Collateral Holdings Report as of January 20, 2023 at 2:00 PM PT and the accompanying Notes to the Collateral Holdings Report, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

We did not perform any procedures regarding the operating effectiveness of the Company's internal controls. Accordingly, we do not express an opinion thereon.

The Collateral Holdings information in the accompanying Collateral Holdings Report relates to the USDtez token, which is a cryptographic digital asset residing on the Tezos blockchain at the smart contract address KT1LN4LPSqTMS7Sd2CJw4bbDGRkMv2t68Fy9 and the USD-denominated digital asset units residing on the Ethereum blockchain at the address 0x8aa1843E954f988c7ad758AAa64B048943346668. Digital assets are an evolving area of technology subject to changing regulatory oversight and marketplace activity. Anyone who acquires, trades, and utilizes USDtez tokens and other digital assets is responsible for informing themselves of the general risks and uncertainties.

In our opinion, the Collateral Holdings Report as of January 20, 2023 at 2:00 PM PT is presented in accordance with the measurement and disclosure criteria in the accompanying Notes to the Collateral Holdings Report in all material respects.

*The Network Firm LLP*

The Network Firm <sup>LLP</sup>  
Miami, Florida

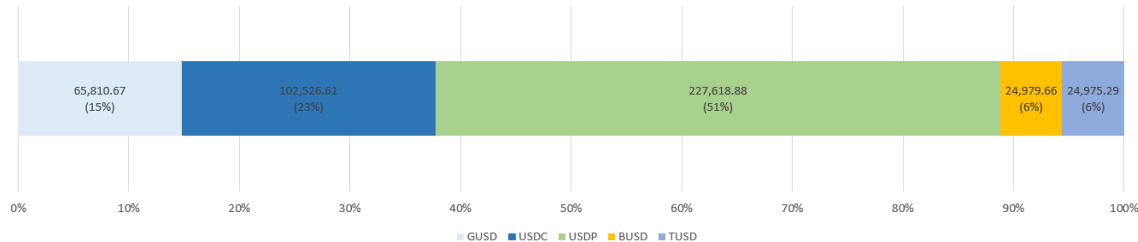
March 9, 2023

## COLLATERAL HOLDINGS REPORT

January 20, 2023 at 2:00 PM PT Balance of USDtez tokens issued and outstanding<sup>1</sup>  
USD-denominated asset units held in Collateral Account<sup>2</sup>

USDtez	443,269.11
USD Total Units	445,911.11

Breakdown of USD-denominated assets held in Collateral Account:



### NOTES

- The issued and collateralized USDtez tokens on the Tezos blockchain as of January 20, 2023 at 2:00 PM PT do not exceed the balance of the USD-denominated asset units held in the Collateral Account reported above.
- Control and ownership of the USDtez Tezos smart contract address and Ethereum address acting as the Collateral Account on the Ethereum blockchain is decentralized through a multi-signature of trusted representatives, coordinated by Tezos Stable Technologies, Ltd. Signatories and undergoes a periodic key signature ceremony to verify continued safe access and control of the accounts.
- The asset balance held in the Collateral Account includes USD-denominated digital assets ("USD stablecoins") that approximates to the value of the United States Dollar. As of January 20, 2023 at 2:00 PM PT, the account includes USD Coin ("USDC"), Pax Dollar ("USDP"), Binance Dollar ("BUSD"), True Currency Dollar ("TUSD"), and Gemini Dollar ("GUSD"). The Company may also add other USD stablecoins as collateral to the USDtez tokens in the future.
- All collateral assets are issued or managed by entities that have registered as Money Service Businesses ("MSBs") pursuant to the Bank Secrecy Act ("BSA") regulations at 31 CFR 1022.380(a)-(f), administered by the Financial Crimes Enforcement Network ("FinCEN"). Furthermore, the entities associated with USDC, USDP, BUSD and GUSD are charted as "limited purpose trust companies" under the bank and trust company provisions of the New York Banking Law.
- USDtez is an open-source project, developed through contributions by multiple participants in the Tezos DeFi ecosystem including Wealthchain, Inc., Cryptonomic, Inc., TokenSoft Inc., Draper Goren Holm LLC, YeleTech Security, Inc., OneOf, Inc., and Pyratz Labs, LLC. These institutions as well as their respective labor and resource contributions are coordinated by a consortium known as Tezos Stable Technologies Ltd. ("StableTech"). StableTech addresses 3 key matters of infrastructure for Tezos DeFi: (1) Assets (Stablecoins) – stabletez.com, (2) Trading (Liquidity exchange for interchain & intrachain transactions) – tezex.io, and (3) Lending (Tezfin) – tezos.finance. StableTech itself is a wholly owned subsidiary of the Tezos Stablecoin Foundation, a non-profit and non-shareholder foundation.
- Tezos Stablecoin Foundation ("TSF") is a non-profit and non-shareholder foundation serving the cause of advancing DeFi on Tezos. TSF seeks to achieve its mission in two ways: (1) Building the primordial elements of Tezos DeFi technologies that will enable the infrastructural functions and facilities of a larger Tezos DeFi ecosystem. This is done through its aforementioned operative arm StableTech and is executed by StableTech's coordinated independent entities; and (2) Providing grant opportunities to Tezos developers and entrepreneurs seeking support and resources to innovate the Tezos DeFi ecosystem through independent initiatives.
- Subsequent to the date of the subject matter, effective February 21, 2023, the entity responsible for issuing and managing BUSD ceased the issuance of new BUSD tokens. The issuer has communicated BUSD redemptions for US dollars or USDP will remain supported by the issuer until at least February 2024. Tezos Stable Technologies, Ltd. has evaluated subsequent events through the date of report issuance and has determined that there are no other subsequent events that require disclosure.

To the best of the knowledge and belief of the undersigned, the information contained in the Collateral Holdings Report is accurate and complete.

*Diana Muñoz*

Diana Muñoz, Secretary  
Tezos Stable Technologies, Ltd.  
March 9, 2023

<sup>1</sup> The USDtez Tezos smart contract address is: [KT1LN4LPSqTMS7Sd2CJw4bbDGRkMv2t68Fy9](https://tezosblockchain.com/contract/KT1LN4LPSqTMS7Sd2CJw4bbDGRkMv2t68Fy9)

<sup>2</sup> The Collateral Account Ethereum address is: [0x8aa1843E954f988c7ad758AAa64B048943346668](https://etherscan.io/address/0x8aa1843E954f988c7ad758AAa64B048943346668)