

MOUNTAIN PROTOCOL
INDEPENDENT ASSURANCE REPORT
AS AT 2ND OCTOBER 2023

Nephos FZCO
Building A2, 101
Dubai Silicon Oasis
DDP
Dubai
United Arab Emirates

INDEPENDENT ACCOUNTANTS' REPORT

We have examined Mountain Protocol Ltd (the “Company”) assertion that the Fair Value of Assets Held in Mountain Protocol USD Reserves (“USDM Reserves”) is equal to or greater than Mountain Protocol USD (“USDM”) in Circulation in accordance with the criteria defined. The Company’s management is responsible for its assertion. Our responsibility is to express an opinion on management’s assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the International Financial Reporting Standards (IFRS). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management’s assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management’s assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management’s assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

This report is issued with two levels of analysis for the same closing date, but released subsequently.

- The first report, known as “Snapshot” Report (“SP Report”) is issued attesting on (i) the current USDM Reserves balance, (ii) the current USDM total issuance and (iii) that the USDM Reserves are equal or higher than the issued balance at the date indicated in the report.
- The second report, known as “Full Month View” Report (“FMV Report”) is issued attesting that, after performing reconciliation and bookkeeping of all USDM Reserves related transactions across all accounts meant for management of “USDM Reserves”, all transactions were managed in accordance with the mandate of USDM Reserves, including:
 - All transactions related to USDM Reserves occurred in closed loop, as per company policy and regulatory requirements.
 - All transactions occurred in segregated accounts for the purposes of management of USDM Reserves.

Mountain Protocol USD in Circulation refers to the total supply of USDM under the smart contracts observed in the management report as reported by each blockchains blockscanner.

The USDM Reserves refers to the Company's Reserve Account holdings at fair market price, as of the Report 10/02/2023. Any amounts held in U.S. Treasury Debt and other securities include additional disclosures such as CUSIP and maturity date, as applicable.

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

In our opinion, management's assertion that the Fair Value of Assets Held in USDM Reserve is equal to or greater than USDM in Circulation as of the Report Dates in accordance with the criteria defined.

USDM Reserve “Snapshot” Report

Mountain Protocol Ltd
11 Bermudiana Rd, Pembroke, HM08, Bermuda

Mountain Protocol USD issuance and reserves as of 10/02/2023	
USDM in Circulation	\$2,468,314.98
Fair Value of Assets Held in USDM Reserves	\$2,514,423.62

The current USDM in Circulation is fully collateralized by USDM Reserves as of 10/02/2023.

Criteria

USDM In Circulation is defined as the total USDM supply on USDM supported Blockchains at the Report Date of 10/02/2023.

USDM Approved Blockchains are:

- Ethereum - 0x59d9356e565ab3a36dd77763fc0d87feaf85508c, observed in Etherscan.

Segregated Accounts are unencumbered accounts held as USDM Reserves, that are segregated from other accounts of the Company, including general corporate funds.

Mountain Protocol - USDM Reserves assets as of Oct 02 2023

The Company's total Reserve Accounts which are greater than or equal to the total supply of USDM are comprised of the following asset holdings:

Description	ISIN	Maturity Date	Fair value ¹
U.S. Treasury Bills	US912797HC44	10/24/2023	\$1,022,692.83
U.S. Treasury Bills	US912797FK87	11/16/2023	\$1,261,632.29
Total U.S. Treasury Securities			\$2,284,325.12
U.S. Treasury Repurchase Agreements ²			
Cash held in USDM Reserves at regulated financial institutions ³			\$12,840.12
Stablecoins held in USDM Reserves ⁴			\$1,116.00
Cash due to/(owed by) MP USDM Reserves due to timing and settlement differences ⁵			\$216,142.38
Total USDM Reserve Assets			\$2,514,423.62

Notes

1. Fair market value as of the report date.
2. U.S Treasury Repurchase Agreements involve the overnight lending of cash to global financial institutions which is overcollateralized by U.S. Treasury securities.
3. Cash held at regulated financial institutions is partially covered by deposit insurance.
4. Stablecoin fair market value is placed at \$1 as long as counterparties have a 1:1 redemption SLA. In case that redemption is not available, market price is to be derived from ChainLink price feeds. Currently only USDC is supported as a USDM Reserve stablecoin asset.
5. Balances have been adjusted for timing and settlement differences, which include: deposits/withdrawals pending settlement, securities purchased/sold in the last day of the reporting period and settled after the report dates.