AGREED-UPON PROCEDURES REPORT

Produced for:

nexo

February 18, 2022 7:00 am UTC

MOORE

An independent firm
associated with Moore
Global Network Limited

armanino
A top 25 US-based Public Accounting Firm

Executive Summary

Armanino CPA LLP ("Armanino") has been engaged by Nexo Capital Inc ("Nexo" or the "Company") to perform agreed-upon procedures ("AUP") at approximately 7:00 am Coordinated Universal Time ("UTC") on February 18, 2022. Nexo engaged Armanino for the purpose of offering its current customers, prospective customers, regulators, and partners (collectively, "Authorized Users") additional transparency and assurance over the assets held as coverage to the liabilities Nexo has to its customers. Therefore, the agreed-upon procedures herein were outlined by management of Nexo and executed by Armanino under standards for AUP engagements issued by the American Institute of Certified Public Accountants.

Specifically, the procedures detailed herein, and Armanino's findings, are intended to demonstrate that, at the time the procedures were performed, Nexo assets consisting of fiat (USD, GBP, and EUR), digital assets (self-custodied, third-party custodied, derivatives, and lending positions), and an outstanding customer loan book (collectively, "Nexo Assets") were greater than or equal to customer deposits ("Customer Liabilities").

Armanino has been engaged to perform these procedures and issue reports through TrustExplorer's Real-Time Assurance platform. Data is collected and aggregated through a variety of methods: querying Armanino-hosted blockchain nodes, querying application programming interfaces ("APIs") to third-party block explorers, digital asset exchanges, and lending platforms; and inspecting or observing relevant agreements and/or account statements.

Armanino obtains the USD-equivalent value of customer liabilities directly from Nexo via API. Armanino recalculates the USD-equivalent value of Nexo's Assets using the spot digital asset prices and foreign exchange rates as of the time of this report.

Customer Liabilities as of February 18, 2022 are $10,516,081,303 and Nexo's Assets exceed its Customer Liabilities. Results of the procedures are presented in "Findings & Results."

The methods and procedures employed are provided in this report and are intended for the use of Management of Nexo and Authorized Users.

Independent Accountant's Report on Agreed-Upon Procedures

To Management of Nexo and Authorized Users:

We have performed the procedures enumerated below, at approximately 7:00 am Coordinated Universal Time ("UTC") on February 18, 2022. Management of Nexo Capital Inc ("Nexo") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of demonstrating that, at the time the procedures were performed, Nexo assets consisting of fiat (USD, GBP, and EUR), digital assets (self-custodied, third-party custodied, derivatives, and lending positions), and an outstanding customer loan book (collectively, "Nexo Assets") were greater than or equal to customer deposits ("Customer Liabilities"). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are set forth in the attached sections:

- **Procedures:** Listing of all procedures agreed to by Nexo and performed by Armanino.
- **Findings & Results:** Customer Liabilities and results of procedures.

We were engaged by Nexo to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the liability and asset balances represented by Nexo. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Nexo and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Management of Nexo and Authorized Users and is not intended to be and should not be used by anyone other than these specified parties. The practitioner's report is as of a specified point in time and Armanino has no responsibility to update the report or findings therein for subsequent points in time.

Armanino

Armanino CPA LLP
San Jose, California
February 18, 2022 7:00 am UTC

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Procedures

Armanino performed the following agreed-upon procedures at approximately 7:00 am UTC on February 18, 2022:

General

1. Obtain a detailed listing of custody providers, counterparty sources, in-scope Decentralized Finance protocols ("DeFi Sources") (together, the "Sources") and relevant wallet addresses from Nexo designated for inclusion in our agreed-upon procedures testing.

2. Obtain a detailed listing of the individual digital and fiat assets from Nexo designated for inclusion in our agreed-upon procedures testing.

Customer Liabilities

3. Obtain a detailed listing of customer deposits in nominal digital and fiat assets directly from Nexo via API.

4. For digital assets, apply the USD exchange rate for each asset from Nomics (the "Price") via API to each of the digital asset balances and calculate the USD equivalent value.

5. For non-USD fiat balances, apply the USD foreign exchange rate for each fiat from Currencylayer via API and calculate the USD equivalent value.

6. Sum all liability balances and document as "Customer Liabilities" in "Findings & Results".

Assets

Digital Assets Held in Self-Custody

7. For each wallet address provided by Nexo, extract wallet balances (nominal number of digital assets) from Armanino-hosted node OR publicly available block explorer tools via API.

8. Apply Price via API to each of the digital asset wallet balances and calculate the USD equivalent value.

Digital Assets in DeFi Sources

9. For each wallet address provided by Nexo, extract deposited USD equivalent balances and subtract borrowed USD equivalent balances via API.

Third-Party Custodied Digital Assets, Digital Asset Futures, Digital Asset Options, and Digital Asset Loans

10. Obtain the nominal spot and/or notional derivative instrument balances held on behalf of Nexo directly from the respective digital asset exchange or custodian platform via API.

11. For nominal spot balances, apply the Price to each of the digital asset balances and calculate the USD equivalent value.

12. For notional balances on derivative instruments, sum the notional USD amount for all open long and short (including calls and puts) positions.

13. For institutional OTC positions[1] without access to a real-time data feed, obtain the receivable and payable balances directly from Nexo and apply the Price to each asset and calculate the USD equivalent value.

Fiat on Digital Asset Exchanges and Other Platforms

14. For fiat balances, extract the balance from the Source via API or inspection of agreements and/or account statements.

15. For non-USD fiat balances held with counterparties, apply the USD foreign exchange rate for each fiat from Currencylayer via API, and calculate the USD equivalent value.

Loan Book

16. Obtain the total outstanding customer loan balance in USD directly from Nexo via API.

Findings

17. Sum all asset balances ("Nexo Assets") obtained in Procedures 7 through 16.

18. Divide Nexo Assets by Customer Liabilities and document whether assets were greater or less than liabilities in "Findings & Results."

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[1]Off order book positions with exchanges, institutional lending parties, OTC desks, stablecoin issuers and other counterparties where real-time data is not available and thus the position is determined through inspection of financial agreements.

Findings & Results

Armanino successfully completed the agreed-upon procedures as outlined above, performed at approximately 7:00 am UTC on February 18, 2022, with the following findings and results:

1. Customer Liabilities are $10,516,081,303

2. Nexo Assets are greater than Customer Liabilities.