



DUNAMU CO., LTD.

DIGITAL ASSETS & FIAT DEPOSIT DUE DILIGENCE REPORT

Oct. 4, 2023



REPORT ON AGREED-UPON PROCEDURES

DUNAMU CO., LTD.

369, Gangnam-daero, Seocho-gu, Seoul

As requested by DUNAMU Co., Ltd. (hereinafter referred to as "Company"), BDO Sunghyun LLC (hereinafter referred to as "We") hereby submits a Digital assets & fiat deposit due diligence report (hereinafter referred to as "Report") relating to the digital asset exchange business of <https://www.upbit.com> (hereinafter referred to as "Upbit") operated by the Company.

Our report (the "Report") is prepared solely for the purpose of reporting the results of conducting due diligence on the Company's digital assets, cash and cash equivalents, and customer deposits as of October 4, 2023 24:00 (KST) (October 5, 2023 00:00, hereinafter "the due diligence date"). In this agreed-upon procedures, digital assets refer to digital representation that have economic value and can be digitally traded or transferred.

We have performed the procedures described below, which were agreed upon with the Company in the terms of engagement dated March 17, 2023 and the findings are as follows.

Procedure 1: We compared the quantity and the amount converted in Korean Won of each type of digital assets held by the Company as of the due diligence date and the quantity and the amount converted in Korean Won of each type of digital assets deposited by Upbit customers. Upbit's transaction price on the due diligence date was used for the KRW conversion value applied when converting the quantity of digital assets into KRW amounts. As a result of the procedure, it was confirmed that the quantity and the amount converted in Korean Won of each type of digital assets held by the Company exceeded the quantity and the amount converted in Korean Won of each type of digital assets deposited by Upbit customers.



Procedure 2: We reconciled the quantity by type of digital asset held by the Company as of the due diligence date with the blockchain retrieval result and the evidence presented by the Company. As a result of the procedure, it was confirmed that the number of digital assets owned by the Company matched the number retrieved from the blockchain.

Procedure 3: We selected a random wallet among the wallets owned and controlled by the Company and requested the transfer of a small amount of digital assets to another wallet owned by the Company. Then, we performed a procedure to confirm that digital assets were transferred as requested (hereinafter referred to as "small transfer test"). As a result of the procedure, it was confirmed on the blockchain that the Company transferred the digital assets as requested by us.

Procedure 4: We selected a random wallet among the wallets owned and controlled by the Company and requested the Company to electronically sign the original message we presented by using a cryptographic algorithm. Then, we performed a procedure to confirm that the electronic signature was valid (hereinafter referred to as "electronic signature verification"). As a result of the procedure, it was confirmed that the electronic signature provided by the Company was a valid signature.

Procedure 5: We reconciled the amount of cash and cash equivalents presented by the Company on the due diligence date with the Company's financial institution balance certificate. As a result of the procedure, it was confirmed that the amount of cash and cash equivalents held by the Company matched the balance certificate of the financial institution.

Procedure 6: We compared the amount of Upbit customer deposits presented by the Company on the due diligence date with the Company's financial institution balance certificate and compared it with the amount of the Company's cash and cash equivalents. As a result of the procedure, it was confirmed that the Company kept customer deposits separately in separate customer deposit accounts, and that the amount in the Upbit customer deposit accounts matched the balance certificate of the financial institution. In addition, it was confirmed that the Company's cash and cash equivalents exceeded customer deposits.



Procedure 7: We prepared a Digital assets & fiat deposit due diligence report for Dunamu Co., including the details and results of procedures 1 to 6.

We conducted this agreed-upon procedures in accordance with Agreed-Upon Procedures Engagements (2006) established by Korean Institute of Certified Public Accountants. The agreed-upon procedures engagements are to conduct the procedures we have agreed with the Company and to report any findings as a result of conducting the agreed-upon procedure. We do not make any representations as to whether the agreed-upon procedures described above are appropriate for the purpose for which this report was requested or for any other purpose, and we have no obligation to ascertain the source and related authenticity of digital assets and funds.

We have complied with the ethical requirements of the IESBA Code and the Code of Professional Ethics of the Korean Institute of Certified Public Accountants. We are not required to be independent for the purpose of this engagement.

Since the above procedure is not an audit in accordance with the auditing standards or a review service applying the review work standards for financial statements, we do not express any assurance in the Company's digital assets, cash and cash equivalents, and customer deposits as of the due diligence date. Therefore, if we perform additional procedures in addition to the agreed-upon procedures with the Company or conduct an audit in accordance with the auditing standards or a review service in accordance with the review work standards, other issues to be reported to the Company may be found.

Our Report is solely for the purpose set forth in the first paragraph of this Report and for your information and is not to be used for any other purpose or to be distributed. This Report relates only to the accounts and items specified above and do not extend to any financial statements of the Engaging Party, taken as a whole.

BDO Sunghyun LLC

October 25, 2023



This report is effective as of the report date. Accordingly, events or circumstances may occur after the date of this report that could have a material impact on the Company's digital assets, cash and cash equivalents or customer deposits. We have no obligation to revise this report for matters recognized or occurred after the report date.



I. OVERVIEW OF DUE DILIGENCE SERVICE

1. General Information of Due Diligence Service

- (1) Due diligence service period: September 25, 2023 ~ October 20, 2023
- (2) Due diligence field site: DUNAMU's data center
- (3) Due diligence date: Korean Standard Time (KST) October 4, 2023 24:00 (October 5, 2023 00:00)

2. Methodology of Due Diligence on Digital Assets

We visited the Company on the due diligence date and conducted due diligence on the digital assets managed by the Company. The Company stores digital assets traded on Upbit in internally developed electronic wallets. Also, digital assets supported by Upbit's staking service are stored in a separate staking address.

(1) Internally Developed Wallets

We compared the quantity of each digital asset presented by the Company with the quantity confirmed through blockchain retrieval result by wallet address. We used API query inquiry when retrieving blockchain by wallet address. The Company used node access inquiry, API query inquiry, and blockchain explorer site visit inquiry etc. when retrieving blockchain by wallet address.

(2) Staking Address

We compared the quantity of staking by digital asset presented by the Company with the quantity confirmed through blockchain retrieving by staking address. The Company used the API query inquiry and blockchain explorer site visit inquiry for blockchain retrieving by staking address.



3. Methodology of Due Diligence on Cash and Cash Equivalents, and Customer Deposits

We verified the account balances of each financial institution by reconciling the balance certificate of financial institutions with the statements by account for cash and cash equivalents and customer deposits presented by the Company as of the due diligence date.

II. RESULTS OF DUE DILIGENCE

1. Summary of Due Diligence Results

As a result of due diligence on digital assets, it was confirmed that the quantity and the amount converted in Korean Won of each type of digital assets held by the Company exceeded the quantity and the amount converted in Korean Won of each type of digital assets deposited by Upbit customers. The holding ratio is approximately 102.66% based on the amount converted into Korean won.

As a result of due diligence on cash and cash equivalents, and customer deposits, the Company separates Upbit customer deposits from the Company's own assets and keeps them in a separate deposit account, and the balance of customer deposit account exceeds the Upbit customer deposits. The ratio of the Company's cash and cash equivalents to the customer deposit account balance is approximately 106.02%.

The KRW conversion value of each digital asset was calculated based on the final transaction price of Upbit as of the due diligence date. In the case of digital assets that are tradable only in the BTC market, the price of the digital asset was converted to the BTC price on the KRW market. Also, Digital assets that are tradable only in the USDT market were converted sequentially by applying the BTC price on the USDT market and the BTC price on the KRW market as of the due diligence date.



(Unit: Digital asset, KRW)

Type	Digital assets & cash deposits belong to customers		Digital assets & cash deposits maintained by the Company		% of assets maintained
	Quantity	Amount(*1)(A)	Quantity	Amount(*2)(B)	(B/A)
Digital assets	CONFIDENTIAL				102.66%
Cash and cash equivalents					106.02%
Total					

(*1) It is the balance of the Company's bank account for customer deposits as of the due diligence date. It is the amount that does not deduct transaction and withdrawal fees, interest income, and advance payments for debt collection to delinquent members belonging to the Company.

(*2) Digital assets owned by the Company as of the due diligence date consist of customer deposits and the digital assets owned by the Company.

2. Due Diligence Results by Digital Asset Type

As of the date of due diligence, the digital assets deposits belong to customers, the digital assets deposits held by the Company, and their holding ratios are as follows.

(Unit: Digital asset, %)

No	Crypto Symbol	Digital assets deposits belong to customers	Digital assets deposits maintained by the Company	Holding ratio
1	1INCH			100.12%
2	AAVE			100.80%
3	ACM			100.39%
4	ACS			100.00%
5	ADA			100.08%
6	AERGO			100.26%
7	AFC			100.23%
8	AGLD			100.54%
9	AHT			100.01%
10	ALGO			100.14%
11	ANKR			100.09%
12	APE			100.03%
13	API3			100.05%
14	APT			100.00%
15	AQT			100.16%
16	ARB			100.02%
17	ARDR			100.02%
18	ARK			100.00%
19	ARPA			100.22%
20	ASTR			100.00%
21	ATM			100.32%
22	ATOM			101.30%
23	AUCTION			100.53%
24	AUDIO			100.14%
25	AVAX			100.02%
26	AXS			100.05%
27	BAR			100.30%
28	BAT			100.12%

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No	Crypto Symbol	Digital assets deposits belong to customers	Digital assets deposits maintained by the Company	Holding ratio
29	BCH			100.02%
30	BFC			100.28%
31	BLUR			100.04%
32	BNT			100.41%
33	BORA			100.08%
34	BSV			100.01%
35	BTC			110.15%
36	BTG			100.03%
37	BTT			100.05%
38	CBK			100.06%
39	CELO			100.04%
40	CHR			100.94%
41	CHZ			100.12%
42	CITY			100.23%
43	COMP			100.55%
44	CRE			100.02%
45	CRO			100.50%
46	CRV			100.24%
47	CTC			100.05%
48	CTSI			101.55%
49	CVC			100.08%
50	CYBER			100.58%
51	DAD			100.07%
52	DAI			176.83%
53	DENT			100.08%
54	DGB			100.02%
55	DKA			100.09%
56	DNT			102.73%
57	DOGE			100.29%
58	DOT			100.11%
59	EGLD			100.01%
60	ELF			100.86%
61	ENJ			100.08%

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No	Crypto Symbol	Digital assets deposits belong to customers	Digital assets deposits maintained by the Company	Holding ratio
62	ENS			100.10%
63	EOS			100.01%
64	ETC			100.01%
65	ETH			100.81%
66	FCT2			100.24%
67	FIL			100.02%
68	FLOW			100.00%
69	FOR			100.59%
70	FX			101.04%
71	GAL			100.22%
72	GAS			100.20%
73	GLM			100.11%
74	GLMR			100.00%
75	GMT			100.03%
76	GO			100.00%
77	GRS			100.48%
78	GRT			100.10%
79	GTC			100.10%
80	HBAR			100.05%
81	HBD			110.05%
82	HIFI			100.15%
83	HIVE			100.13%
84	HPO			100.02%
85	HUNT			100.17%
86	ICX			100.00%
87	IMX			100.05%
88	INJ			100.81%
89	INTER			100.35%
90	IOST			100.00%
91	IOTA			100.00%
92	IOTX			101.03%
93	IQ			100.02%
94	JST			100.25%

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No	Crypto Symbol	Digital assets deposits belong to customers	Digital assets deposits maintained by the Company	Holding ratio
95	JUV			100.12%
96	KAVA			100.07%
97	KNC			100.27%
98	LINA			100.83%
99	LINK			100.16%
100	LOOM			100.20%
101	LPT			100.26%
102	LRC			101.28%
103	LSK			100.02%
104	MAGIC			100.01%
105	MANA			100.07%
106	MASK			100.07%
107	MATIC			101.17%
108	MBL			100.40%
109	MED			100.03%
110	META			100.00%
111	MINA			100.20%
112	MKR			101.24%
113	MLK			100.07%
114	MOC			100.87%
115	MTL			100.40%
116	MVL			100.17%
117	NAP			100.25%
118	NEAR			100.10%
119	NEO			100.02%
120	NKN			100.17%
121	NMR			104.39%
122	OBSR			100.33%
123	OCEAN			100.75%
124	OGN			100.48%
125	ONG			100.13%
126	ONIT			100.04%
127	ONT			100.02%

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No	Crypto Symbol	Digital assets deposits belong to customers	Digital assets deposits maintained by the Company	Holding ratio
128	ORBS			100.22%
129	OXT			100.20%
130	PLA			100.10%
131	POLYX			100.12%
132	POWR			100.53%
133	PROM			103.47%
134	PSG			100.23%
135	PUNDIX			100.07%
136	QKC			100.09%
137	QTCN			100.37%
138	QTUM			100.01%
139	RAD			100.30%
140	RAY			100.02%
141	REI			100.01%
142	RLC			101.40%
143	RLY			100.05%
144	RNDR			100.37%
145	RSR			100.13%
146	RVN			100.03%
147	SAND			100.07%
148	SBD			100.79%
149	SC			100.00%
150	SEI			100.00%
151	SHIB			100.23%
152	SNT			100.19%
153	SNX			101.07%
154	SOL			100.08%
155	SOLVE			100.19%
156	SSX			100.28%
157	STEEM			100.09%
158	STG			100.16%
159	STMX			100.06%
160	STORJ			100.17%

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No	Crypto Symbol	Digital assets deposits belong to customers	Digital assets deposits maintained by the Company	Holding ratio
161	STPT			100.16%
162	STRAX			100.11%
163	STRK			100.01%
164	STX			100.06%
165	SUI			100.01%
166	SUN			100.02%
167	SXP			100.06%
168	T			100.03%
169	TFUEL			100.45%
170	THETA			101.76%
171	TON			100.11%
172	TRX			100.42%
173	TT			100.11%
174	TUSD			212.25%
175	UNI			100.40%
176	UPP			100.42%
177	USDP			101.98%
178	USDT			383.55%
179	VAL			100.49%
180	VET			100.17%
181	WAVES			100.11%
182	WAXP			100.17%
183	XEC			100.06%
184	XEM			100.01%
185	XLM			100.01%
186	XRP			100.16%
187	XTZ			100.04%
188	YGG			100.11%
189	ZIL			100.08%
190	ZRX			100.30%

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