



**INDEPENDENT ASSURANCE REPORT ON THE  
FALCON (USDF) RESERVES REPORT**

**28 July 2025**

Falcon Digital Limited

## **INDEPENDENT ASSURANCE REPORT ON THE 28 JULY 2025 FALCON (USDf) RESERVES REPORT**

### **To the Board of Directors of Falcon Digital Limited.**

We have been engaged by Falcon Digital Ltd to perform a reasonable assurance engagement on the “Falcon (USDf) Reserves Report” or “FRR”, prepared by Falcon Digital Ltd (“Management”) as at 28 July 2025, a copy of which has been attached to this report.

We have carried out a reasonable assurance engagement in respect of the FRR, which includes a review of the collateral backing the Falcon (USDf) tokens in circulation and the accuracy of management's calculation. The issuance of USDf to users requires the user to become KYC verified, approved and then deposit either equal or excess crypto assets from the list of approved reserve assets which align with Falcon Digital Ltd's risk policy. Falcon Digital Ltd will then confirm the assets received, mint the USDf and send the USDf to the user in line with headroom calculations embedded in their risk profile of the collateral assets deposited. The subject matter information includes data and calculations provided by the management of the responsible party “Falcon Digital Ltd”, which details the USDf tokens in circulation.

### **Management's Responsibility for the Falcon (USDf) Reserves Report**

Management is responsible for the preparation of the FRR and for such internal control system as Management determines is necessary to enable the preparation of the FRR such that it is free from material misstatement, whether due to fraud or error.

### **Our Independence and quality control**

We have applied International Standard on Quality Management 1 (ISQM 1), which relates to quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements. Accordingly, we maintain a robust system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

### **Our responsibility**

We carried out our work in accordance with the criteria established in the International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standards Board (IAASB) for reasonable assurance engagements. This standard requires that we plan and perform the engagement to obtain reasonable assurance.

The procedures performed on the FRR are based on our professional judgement and include inquiries, primarily of the company's personnel responsible for the preparation of the information presented in the FRR, analysis of documents, recalculations and other procedures aimed to obtain evidence, as appropriate. Specifically, we carried out the following procedures:

- Performed enquiries of Management;
- Obtained an understanding of the internal control system;
- Reviewed the controls regarding creation of and access to reserve wallets and custodians.
- Reviewed the transactional approval controls regarding the reserve assets and operations related to the reserve accounts.
- Obtained an understanding of the USDf token contract - 0x68749665FF8D2d112Fa859AA293F07A622782F38
- Obtained a breakdown of the collateral held as reserves for USDf and performed a valuation of such collateral as at 28 July 2025 at 23:59 UTC;
- Verified the ownership and control of the custodial and non custodial addresses holding the reserve assets as at 28 July 2025;
- Tested a sample of user deposits made up to 28 July 2025 to confirm they were correctly recorded as deposits and from verified users;
- Verified the quantity of USDf issued as at 28 July 2025;
- Recalculated the aggregate value of reserves held as collateral for USDf in issuance and verified the aggregate value of reserves exceeds the USDf in issuance as at 28 July 2025;

### **Conclusion**

Based on the results of our procedures, in our opinion, the FRR as prepared by Management as of 28 July 2025, is, in all material respects, fairly presented in accordance with the criteria.

### **Emphasis of Matter**

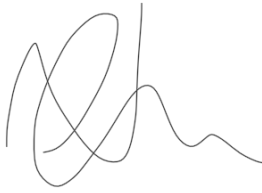
We draw attention to the following in the accompanying FRR:

- The reporting date is limited to a point in time as of 28 July 2025. We did not perform procedures or provide any assurance at any other date or time in this report.

Our opinion is not modified in respect of this matter.

### **Scope limitations**

Our opinion is limited solely to the FRR and the corresponding assets and liabilities as of 28 July 2025. Activity prior to and after this time and date was not considered when testing the balances and information described above. In addition, we have not performed any procedures or provided any level of assurance on the financial or non-financial activity on dates or times other than that noted within this report.



Nicholas R Newman

for and on behalf of

**Harris & Trotter LLP**

Chartered Accountants & Statutory Auditors

101 New Cavendish Street

London

W1W 6XH

## Falcon (USDf) Reserves Report

USDf is issued by Falcon Digital Limited (trading as **"Falcon Finance"**), a company incorporated in the British Virgin Islands with its registered address at Asia Leading Chambers, Road Town, Tortola VG1110, British Virgin Islands.

USDf is a fully collateral-backed synthetic dollar minted when users deposit a variety of digital assets as determined by Falcon Finance at its sole discretion from time to time (the **"Eligible Collateral"**), such as stablecoins, blue chips or other approved digital assets, into the Falcon Finance protocol.

The collateral assets backing USDf are digital assets held in segregated accounts (**"Reserves"**), on behalf of USDf holders.

As of 28 July at 23:59 PM UTC, **1,071,850,186 USDf** were issued.

As of 28 July at 23:59 PM UTC, the USD Value of the assets held by under the Reserves in respect of USDf that have been issued is **USD \$1,197,579,731**.

Assets	USD Value (\$ million)
Stablecoins	282,864,592
Blue Chips (BTC, Wrapped BTC, ETH)	670,990,593
Others	243,724,546

## Product Overview

By registering for an Account, accessing the Platform, using the Services and/or holding the Falcon Stablecoins, users have agreed to have read, understood and accepted the terms of conditions (the “**Terms**”), available at <https://docs.falcon.finance/resources/terms-of-use>, together with any additional documents or terms referred to in these Terms, which includes the Risk Disclosure Statement and the Privacy Policy.

Subject to the Terms and onboarding procedures, users can mint USDf by depositing the Eligible Collateral by connecting their wallet through our website at <https://falcon.finance> (the “**Website**”). Once the USDf has been minted, users may stake their USDf in the Falcon Finance protocol to receive sUSDf. The amount of sUSDf received is calculated based on the prevailing sUSDf-to-USDf ratio, which reflects the total supply of sUSDf relative to the total USDf staked and accumulated protocol yield.

Falcon Finance maintains the Reserves in segregated accounts that are unencumbered and held on behalf of USDf holders. Users will be able to verify this data at <https://app.falcon.finance/transparency> (the “**Transparency Page**”) published on the Website and view the total number of USDf tokens in circulation through the public Ethereum network block explorer anytime.

As of the date of the present report, the USD value reflected on the website, including the Transparency Page, is aggregated from various independent third party market data sources and the company shall engage independent third party auditors to review the ownership and control over the Reserves.

**Andrei Grachev**



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Signature

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24 September 2025

Date