

Independent Auditors' Report

To the Board of Directors and Shareholders
VIRTUE FINTECH FZ-LLC
Dubai Internet City, Dubai, United Arab Emirates

Report on Token Swap Program (“TSP”) of FARAD Cryptokens

Summary of Events

Pre-Token Swap

Pre-Token Swap program was conducted in 3 batches over a period of 36 days.

The first batch was from 25th August 2017 until 15th September 2017.

The second batch was from 16th September 2017 until 22nd September 2017.

The third batch was from 23rd September 2017 to 30th September 2017.

Token Swap

Token Swap program was conducted in 3 batches over a period of 31 days.

The first batch was from 1st October 2017 until 7th October 2017.

The second batch was from 8th October 2017 until 15th October 2017.

The third batch was from 16th October 2017 until 31st October 2017.

Volume Offered

Token swap volume 1,280,000,000 FRD

Total issue volume 1,600,000,000 FRD

Role of Independent Auditor

One of our roles as Independent Auditors in the Farad TSP is to audit the actual issue of Farad Cryptokens during the Pre-Sale and Token Swap Periods.

Farad Cryptoken Distribution Report

We have audited the Farad Cryptoken Distribution Report dated October 31, 2017 prepared by Virtue Fintech FZ-LLC as Programme Manager.

Programme Manager’s Responsibility for Farad Cryptoken Distribution Report

Virtue Fintech FZ-LLC as the Programme Manager is responsible for the preparation and fair presentation of the Farad Cryptoken Distribution Report in accordance with representation given in the Farad TSP that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Farad Cryptoken Distribution Report based on our audits. We conducted the audit based on our standards that require we plan and perform the audit to obtain reasonable assurance about whether the Farad Cryptoken Distribution Report is free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts of Farad Cryptokens that were distributed and disclosed in the Farad

Cryptoken Distribution Reports. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Farad Cryptoken Distribution Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Farad Cryptoken Distribution Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the Farad Cryptoken Distribution Report referred to previously present fairly, in all material respects, the proper distribution of the Farad Cryptoken under the Farad TSP and in all material aspect the total Farad Cryptokens issued as of October 31, 2017 are correct.

The total Farad Cryptokens issued as at October 31, 2017 is 200,000,000 FRD

A handwritten signature in black ink, appearing to be 'Azli Noor', with a stylized, flowing script.

Azli Noor

7th November 2017