



**BLOCKCHAIN
INTELLIGENCE
GROUP**

Platform Due Diligence Report

June 18, 2021



Blockchain Intelligence Group
www.blockchaingroup.io

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Introduction to Blockchain Intelligence Group

BIG - Blockchain Intelligence Group is a search and analytics company providing risk and compliance solutions to the blockchain and virtual asset ecosphere. Blockchain Intelligence Group, a public company trading on the Canadian Stock Exchange as BIGG has been providing data, analytics and investigation tools since 2015.

CSE: BIGG

OTC: BBKCF

WKN: A2JSKC

Purpose Scope Methods

This review provides a third party, unbiased and objective review of the counterparty risk associated with using the **Bitbuy Platform**. This analysis includes historical research as well as current research and analytics to provide a comprehensive and chronological review of the entity. A sample of transactional data from the most recent calendar quarter of operations is summarized, with the following key areas reviewed:

- Identified KYC Policy – implemented and enforced
- Operates in High-Risk Jurisdiction
- Adverse Media
- Jurisdiction registration requirements and valid registration
- Regulatory or Law Enforcement Actions
- High Risk Business other than Virtual Assets
- Offered Goods or Services on Darknet Markets
- Cybercrime
- Associated with Terrorism
- Requires encrypted communication to obtain service

Proof of Reserve Audit:

- Assessment of Bitbuy Client Funds in Cold Storage

Confidentiality

This Enhanced Due Diligence report is private and confidential and may not be disseminated to any third party. The information and transaction analysis data supplied are for the sole purpose of providing a third-party assessment of the Bitbuy Platform, and to provide assurance to its clients that their funds are stored securely and backed up 1:1.

Entity Review

Entity: Bitbuy
Type of Service: Virtual Asset Service Provider
Primary Location: Toronto, Ontario, Canada
Company Type: Privately Held

AML/TF Score: 100 – Low Risk
Aggregate Transactional Risk Score Q1: 99.48 – Low Risk

Bitbuy is one of Canada's premier virtual asset service providers, with over 300,000 registered users. The Company has been servicing Canadian residents since 2016 and continues to be a market leader in providing its users with convenient, dependable, and secure access to the digital asset universe. Bitbuy operates an end-to-end proprietary platform, wholly owned and operated out of downtown Toronto with over 55 full-time employees.

Bitbuy is registered with FINTRAC as a Money Service Business ("MSB") and was recently ranked 54th on the 2020 Startup List of Canada's top new growth companies.

CipherBlade was previously employed by Bitbuy to conduct a proof of reserve audit, released May 2, 2019, which yielded results stating that not only were the fiscal reserves for their cold wallet storage 100% verified, but at the time Bitbuy was also in complete compliance with relevant regulation.¹ In its continued effort to maintain the highest standards of corporate transparency and compliance, Bitbuy has authorized a forensic analysis by Blockchain Intelligence Group in 2020² and 2021.

Bitbuy's security policy has a mandate of 95% of its client's funds to be securely custodied in segregated cold-wallet storage, as well as enforcing two-factor authentication for all client accounts. Bitbuy has released its primary cold wallet addresses for Blockchain Intelligence Group to review and verify. The results of the reviewed addresses for this cold wallet proof of reserve are below.

¹ <https://bitbuy.ca/assets/documents/Bitbuy-Proof-of-Reserve-and-Security-Audit-Report.pdf>

² <https://bitbuy.ca/en/resources/updates/proof-of-reserves-2020-key-findings/>

Crypto Device	Total Bitbuy Customer Funds ³	Crypto Funds in Cold Wallet Storage ⁴	Fiat Value of Cold Wallet Storage	Percentage of Funds in Cold Storage	Audit Timestamp
BTC	████████	████████	\$ ██████████	99.22%	6/14/21 13:14
ETH	████████	████████	\$ ██████████	97.51%	6/14/21 13:30
LTC	██████	████████	\$ ██████████	98.33%	6/17/21 14:30
BCH	████	██████	\$ ██████████	99.98%	6/18/21 14:00
XRP	████████	████████	\$ ██████████	98.16%	6/14/21 13:05
XLM	████████	████████	\$ ██████████	97.40%	06/14/21 13:30
EOS	████████	████████	\$ ██████████	96.29%	6/14/21 13:30

As shown in the table above, Bitbuy meets and exceeds its mandate requiring 95% of customer funds to be held in cold wallet storage. The percentages of customer funds held in cold wallet storage for Bitcoin, Litecoin, and Ethereum are above 98%. The slight variance in percentage between the virtual assets is minimal, with an average cold wallet storage of 98.12%.

Bitbuy diligently makes an effort to protect its customers and warn its potential customers and existing clientele of the inherent risks and potential losses that can occur in the crypto space due to market vulnerabilities and volatility. The site's user agreement includes clauses that provide clarity regarding the potentially high-risk nature of virtual assets.⁵ Bitbuy also regularly updates and informs its clients on the ever-changing dangers of virtual asset related scams via social, newsletter, client service calls, emails, and on-site banners.⁶

Bitbuy Technologies Inc. (Bitbuy) is committed to preventing, detecting and deterring money laundering and terrorist financing (ML/TF) activities. This document is intended to provide the baseline for the Risk Based Approach that is implemented at Bitbuy with respect to the various risks that our business may encounter. These risks that have been considered follow the guidance provided by FINTRAC according to the Proceeds of

³ Bitbuy Technologies Inc. has transparently and proactively furnished all relevant compliance and company information to Blockchain Intelligence Group to facilitate an easier review process.

⁴ Blockchain Intelligence Group Compliance Suite – QLUTM (Quantitative Law Enforcement Unified Edge)

⁵ <https://bitbuy.ca/en/terms>

⁶ <https://bitbuy.ca/resources/updates-2/>

Crime, Money Laundering, and Terrorist Financing Act and associated Regulations (PCMLTF A/R), and includes conducting a risk assessment on;

- Products, services, and delivery channels;
- Geography location of activities;
- New Developments and Technologies;
- Clients and Business Relationships;
- Any activities related to foreign and domestic affiliates; and
- Any other relevant factors.
- Mitigation of the risks are done through the implementation of various measures and controls tailored to Bitbuy's business. This includes ongoing monitoring of business relationships for the purpose of;
- Keeping client identification information and beneficial ownership up to date in accordance with the assessed level of risk;
- Reassessing the level of risks associated with transactions and activities; and
- Applying enhanced due diligence (EDD) measures for those transactions or activities that are deemed as high-risk.

While not all high-risk transactions or activities may not be deemed prohibited, Bitbuy does ensure that when they have been identified, the appropriate EDD measures are taken and documented accordingly

The above AML compliance program not only meets the national regulatory requirements set by Canada's Financial Intelligence Unit FinTRAC,⁷ but closely follows the recommendations for Virtual Asset Service Providers prescribed internationally by the FATF.⁸

Bitbuy administers its Anti-Money Laundering policy by requiring its customers to fulfill KYC/CIP requirements upon registration. Bitbuy has engaged Trulioo to electronically verify customer identities by validating the relevant personal information required by FINTRAC. However, if a user is unable to pass the electronic identity verification, they can submit relevant and FINTRAC compliant identity information to Bitbuy for a manual verification process.⁹

Once KYC requirements have been fulfilled, customers are given access to engage the full suite of services on the Bitbuy Platform. Bitbuy's AML policy, designed to prevent the facilitation of illicit financial crimes, authorizes the company to limit the amount of funds

⁷ <https://www.fintrac-canafe.gc.ca/guidance-directives/compliance-conformite/Guide4/4-eng>

⁸ <http://www.fatf-gafi.org/publications/fatfrecommendations/documents/guidance-rba-virtual-assets.html>

⁹ <https://support.bitbuy.ca/hc/en-us/articles/360002011332-How-do-I-get-verified->

that can be deposited and withdrawn per order. The below table shows the order limits for both fiat and crypto funding and withdrawal transactions.¹⁰

Deposits	Minimum Requirement	Maximum Limit
CAD Bank Wire	\$20,000	\$500,000
Interac E-Transfer	\$100	\$10,000 / 24HR
Virtual Asset Deposits	No Minimum	No Maximum

Withdrawals	Minimum Requirement	Maximum Limit
Interac e-Transfer	\$50	\$10,000 / 24HR
CAD Bank Wire	\$20,000	\$500,000
Virtual Assets	Varies Based on Virtual Asset	No Maximum

In addition to obligatory identity verification and spending limits, Bitbuy has developed proprietary methods and engages third-party tools that help mitigate the risk of fraud and promote forensic traceability and track darknet market attributions.¹¹ Some of the third-party tools that Bitbuy uses include but are not limited to Chainalysis, Maxmind, Cloudflare, and Trulioo.¹²

Bitbuy collaborates with governmental agencies to aid the development of regulatory compliance and oversight in the virtual asset sector. The company's continued engagement with law enforcement and government authorities has proliferated Bitbuy's reputation as not only a secure platform but a trusted actor in the virtual asset community.

Legally operating as "Bitbuy," Bitbuy Technologies Inc. is a wholly-owned subsidiary of "First Ledger Corporation," (f.k.a., "Monitex Inc.")¹³ A list of First Ledger Corporation subsidiaries includes but is not limited to:

"Bitbuy Technologies Inc.",

"Blockchain Markets Inc."¹⁴

"Twenty One Digital LTD"

¹⁰ <https://bitbuy.ca/en/fees/>

¹¹ Bitbuy Technologies Inc. has proactively furnished all relevant compliance and company information to Blockchain Intelligence Group to facilitate a transparent review process.

¹² <https://bitbuy.ca/resources/updates-2/bitbuys-commitment-to-security-and-compliance/>

¹³ <https://www.facebook.com/bitbuyCA/posts/quick-news-update-our-parent-company-monitex-inc-is-now-first-ledger-corporation/2111313152420083/>

¹⁴ <https://coinvigilance.com/bitbuy-completes-acquisition-of-blockchain-markets-inc-announces-bitbuy-pro/>

Bitbuy is registered with FINTRAC, an entity of the federal government of Canada, and offers its services strictly to Canadian persons at this time. Because of this, Bitbuy only supports Canadian dollars for fiat.¹⁵

Adverse Media:

There is no adverse media identified with Bitbuy, notably propitious articles identified are as follows:

May 19, 2021: CryptoNews: As an incentive to encourage Canadians to invest in cryptocurrency and use the Bitbuy Platform, Bitbuy has offered new users a sign-up bonus of CAD20. This same announcement also mentions that Bitbuy is, “the only Canadian cryptocurrency exchange offering 1:1 insurance on its users’ BTC funds, making it one of the most secure places to trade if you’re looking for a native exchange... Other security measures employed by Bitbuy include two-factor authentication, regular audits, a privately maintained codebase that keeps core components closed source, and compliance with the Canadian Money Service Business (MSB), among other things.”¹⁶

May 3, 2021, CoinDesk: An unaffiliated South Korean organization has, under the false guise of being “Bit Buy Korea,” exit scammed users after promising high returns on investment and leveraging. The scam exchange is, “not a registered corporation with the [Korean] registry office.” Bitbuy.ca tweeted from its official twitter explaining that there is no affiliation with the scam exchange, and that the use of the official Bitbuy logo is unauthorized.¹⁷ Approximately 670 victims are planning to file complaints with the Seoul Eastern District Prosecutor's Office.¹⁸

April 16, 2021, Bitbuy: Bitbuy has reinvented their company logo and redesigned their website to illustrate the many new and improved features that make Bitbuy unique and competitive in the cryptocurrency exchange space. The announcement states, “The “B” icon stands for Bitbuy, but also is evocative of Bitcoin. It is a clean loop, symbolizing the ease and simplicity of using the platform and the customer journey.” In addition to the new look and added features, Bitbuy announced that the platform will soon host Chainlink and AAVE as supported cryptocurrencies on the platform.¹⁹

October 14, 2020, Canadian Business: Canadian Business issued a report ranking Bitbuy the 54th on their 2020 Start-Up List. The list ranks the fastest growing Canadian startups based on multi-year revenue growth.²⁰

¹⁵ <https://support.bitbuy.ca/hc/en-us/articles/360031037892-Can-I-fund-my-account-with-USD-EUR-etc->

¹⁶ <https://cryptonews.com/news/happy-news-for-canadian-traders-bitbuy-offers-a-signup-bonus-10348.htm>

¹⁷ <https://www.coindesk.com/news/articleView.html?idxno=73612>

¹⁸ https://www.koreatimes.co.kr/www/biz/2021/05/175_308703.html

¹⁹ <https://bitbuy.ca/en/resources/updates/the-new-and-improved-bitbuy/>

²⁰ <https://www.canadianbusiness.com/startup-list-2020/>

May 27, 2020, Forbes.com: Bitbuy and Knox have formed a partnership that establishes the world's first fully insured virtual asset deposit. The article quotes a press release as stating, "Bitbuy the world's first platform to find a way to keep the full value of its bitcoin cold storage holdings insured." The insurance coverage, which is provided by Knox's broker Marsh, would cover incidences like theft, internal collusion, and other losses.²¹

May 25, 2020, Bitbuy Staff: Bitbuy released a statement that announced the partnership with Knox that establishes the companies as being the first in the crypto sphere to deal in fully insured virtual assets. The statement explains that existing Bitbuy holdings have been moved to an offline segregated storage vault handled by Knox. According to the statement, "The partnership...allows Bitbuy users to store their bitcoin holdings in an offline vault with insurance up to the full value of the holdings."²²

July 15, 2019, Pymnts.com: In an interview with Pymnts.com, the founder and president of Bitbuy, Adam Goldman, discussed combatting financial crime in the blockchain sector in general and how Bitbuy's policies help to thwart these inimical actions. The article discussed both KYC enforcement within Bitbuy as well as internal controls that Bitbuy performs as a measure to ensure security, "This process includes verifying that the trading platform has the fiat and cryptocurrency holdings claimed, as well as assessing capabilities like transaction flows, private key management systems, segregated accounts and more."²³

May 2, 2019, Global Newswire: In 2019, Bitbuy employed US-based CipherBlade to conduct a proof of reserve audit which examined Bitbuy's security and financial reserves, about which Rich Sanders from CipherBlade stated the following:

Bitbuy was extremely forthcoming in the information they provided, and this information was provided in a timely and complete matter. This commitment to transparency is something that should be both a consumer expectation and self-regulatory best practice. A new dawn of higher expectations and accountability is something that will be great for both the Canadian space and blockchain industry.²⁴

December 15, 2018, Cryptoknowmics: In 2018, First Ledger Corporation acquired the company "Blockchain Markets Inc." as well as CBIX.ca. The company showed an outstanding year despite market decline. The article published by Cryptoknowmics forecasted, "With its major acquisition of Blockchain Markets Inc. and the roll-out of Bitbuy Pro, FLC is well positioned to reach new heights and become a force to be reckoned with in the global blockchain and crypto community."²⁵

²¹ <https://www.forbes.com/sites/colinharper/2020/05/27/bitcoin-exchange-bitbuy-partners-with-knox-security-to-offer-full-deposit-insurance/#e1518715b7d5>

²² <https://bitbuy.ca/resources/updates-2/bitbuy-knox-insured-bitcoin-partnership/>

²³ <https://www.pymnts.com/aml/2019/bitbuy-keeping-crime-scam-fraud-crypto/>

²⁴ <https://www.globenewswire.com/news-release/2019/05/02/1815562/0/en/Bitbuy-Completes-Proof-of-Reserve-Audit-Launches-Pro-Trade-and-OTC-Desk.html>

²⁵ <https://www.cryptoknowmics.com/news/first-ledger-corp-acquires-blockchain-markets-inc-continues-to-expand-presence-in-blockchain-and-crypto-community>

Management Team:

A search of the U.S. Treasury's Office of Foreign Assets Control sanctions database examining Bitbuy as well as associated members of senior management yielded no relevant results.²⁶

An additional search concluded that members of senior staff at Bitbuy are not politically exposed persons. Those investigated were Adam Goldman (Founder and President), Jordan Anderson (Chief Operating Officer), Dean Skurka (Chief Financial Officer and Chief Compliance Officer), and Joseph Iuso (Chief AML Officer).²⁷

- **Adam Goldman – Founder**

- Adam originally created InstaBT in early 2014, which subsequently evolved into what is now known as Bitbuy. His vision was to offload the heavy lifting and provide a quick and straightforward way for Canadians to obtain Bitcoin.²⁸

- **Jordan Anderson – Chief Operating Officer**

- Jordan Anderson started his career at Rogers Communications Inc. in 2013 as an account executive in online advertising sales. From 2012 to 2014, he won numerous travel awards paid for by Google Inc. After leaving Rogers, Mr. Anderson joined Yahoo Inc. He grew an advertising division at Yahoo! from \$0 to \$10MM ARR from 2014 to 2017. At the end of 2017, Mr. Anderson left Yahoo! and joined Bitbuy as the Vice President of Sales and Marketing. He shortly thereafter became the Chief Operating Officer of and Director of FLC, where he currently oversees sales, marketing, and customer experience. He is responsible for delivering strategy at FLC and has scaled the business to over 40 people. Mr. Anderson holds a Bachelor of Management and Organizational Resources (BMOS) from Western University.²⁹

- **Michael Arbus – Chief Executive Officer**

- Michael has over 25 years of finance and business operations experience, having worked at leading financial institutions including Merrill Lynch, RBC, TD Securities, and UBS AG in various capacities, including Investment Banking, Institutional Equities, Corporate Credit, and M&A

²⁶ <https://sanctionssearch.ofac.treas.gov/>

²⁷ Some information included in this report was provided by a third-party risk provider.

²⁸ <https://www.linkedin.com/in/adam-goldman-56217a24/>

²⁹ <https://www.linkedin.com/in/jordananderson416/>

Advisory. Over the past decade, Michael has been leading businesses across various industries in the CEO role. Michael has an MBA specializing in Derivatives and Financial Engineering and is a Chartered Financial Analyst (CFA). Michael completed the Compliance Officer Course in 2019, and the Partners, Directors and Officers Course in 2021 with the Canadian Securities Institute.³⁰

- **Dean Skurka – Chief Financial Officer & Chief Compliance Officer**

- Dean Skurka was formerly the Head of Finance and Compliance for FLC. Since joining in 2018, Dean has led all finance, compliance, and regulatory strategy development and implementation and growth initiatives including all M&A transactions. Key milestones include completing Canada's first Proof of Reserve & Solvency Report, structuring insured user bitcoin holdings 1:1, and growing cumulative transaction volume on the platform from \$25M in 2018 to over \$1B in 2021. Prior to FLC, Dean spent over 4 years working in corporate restructuring and insolvency, acting as a financial advisor to secured lenders and financial institutions. Dean holds a Bachelors of Commerce from Ryerson University, having majored in finance, and minored in accounting.³¹

- **Joseph Iuso – Chief AML Officer**

- Joseph Iuso, CAMS, is a solutions-focused Senior Executive and Consultant with more than 30 years of success across the IT, AML compliance, banking, financial services, e-commerce, digital currency, and identity industries. He has leveraged his extensive experience in support of the financial services and retail payments sectors to ensure optimal ROI. Mr. Iuso currently serves as the Executive Director of the Canadian Money Service Business Association (CMSBA).³²

Licensing/Regulator:

Canada:

Financial Transactions and Reporting Analysis Centre (FinTRAC) – “Bitbuy Technologies Inc.” (d.b.a Bitbuy) is registered in Canada under the Ministry of Finance as

³⁰ <https://www.linkedin.com/in/michael-arbus-cfa-mba-299a49/>

³¹ <https://www.linkedin.com/in/dean-skurka-52baa452/>

³² <https://www.linkedin.com/in/jiuso/>

a Money Service Business and Virtual Asset Service Provider with the business ID number [REDACTED].³³

Canada Business Corporations Act – “Bitbuy Technologies Inc.” is registered federally in Canada under the Canada Business Corporations Act with the business number [REDACTED] and corporation number [REDACTED].³⁴

Canada Business Corporations Act – “First Ledger Corporation,” Bitbuy’s parent organization, is also registered federally in Canada under the Canada Business Corporations Act with the registry ID number [REDACTED].³⁵

Registraire Des Entreprises de Québec– “First Ledger Corporation” is registered in Canada with the Québec Registrar of Companies under the company number [REDACTED].³⁶ “First Ledger Corporation” is also known with the registrar of companies in Québec as “Premier Grand Livre.”

Locations:

- [REDACTED]³⁷
- [REDACTED]³⁸
- [REDACTED]

Jurisdictional Risk:

According to the Basel Institute on Governance – Canada is rated 4.68, which is below average.³⁹ The mean Basel score is 5.22. The report states the countries were assessed according to the new Financial Action Task Force (FATF) methodology.

³³ <https://www10.fintrac-canafe.gc.ca/msb-esm/public/detailed-information/msb-details/7b226d73624f72674e756d626572223a3136303239322c227072696d617279536561726368223a7b226f72674e616d65223a22426974627579222c2273656172636854797065223a317d7d7d>

³⁴ <https://beta.canadasbusinessregistries.ca/search/results?search=%7BBitbuy%7D&status=Active>

³⁵ <https://beta.canadasbusinessregistries.ca/search/results?search=%7BFirst%20Ledger%20Corp%7D&status=Active>

³⁶ https://www.registreentreprises.gouv.qc.ca/RQAnonymeGR/GR/GR03/GR03A2_19A_PIU_RechEnt_P_C/PageEtatRens.aspx?T1.JetonStatic=ed3c0837-9e32-420a-849d-06eab08654fa&T1.CodeService=S00436

³⁷ <https://www.linkedin.com/company/bitbuyca/about/>

³⁸ Bitbuy Technologies Inc. has proactively furnished all relevant compliance and company information to Blockchain Intelligence Group to facilitate a transparent review process.

³⁹ <https://baselgovernance.org/basel-aml-index/public-ranking>

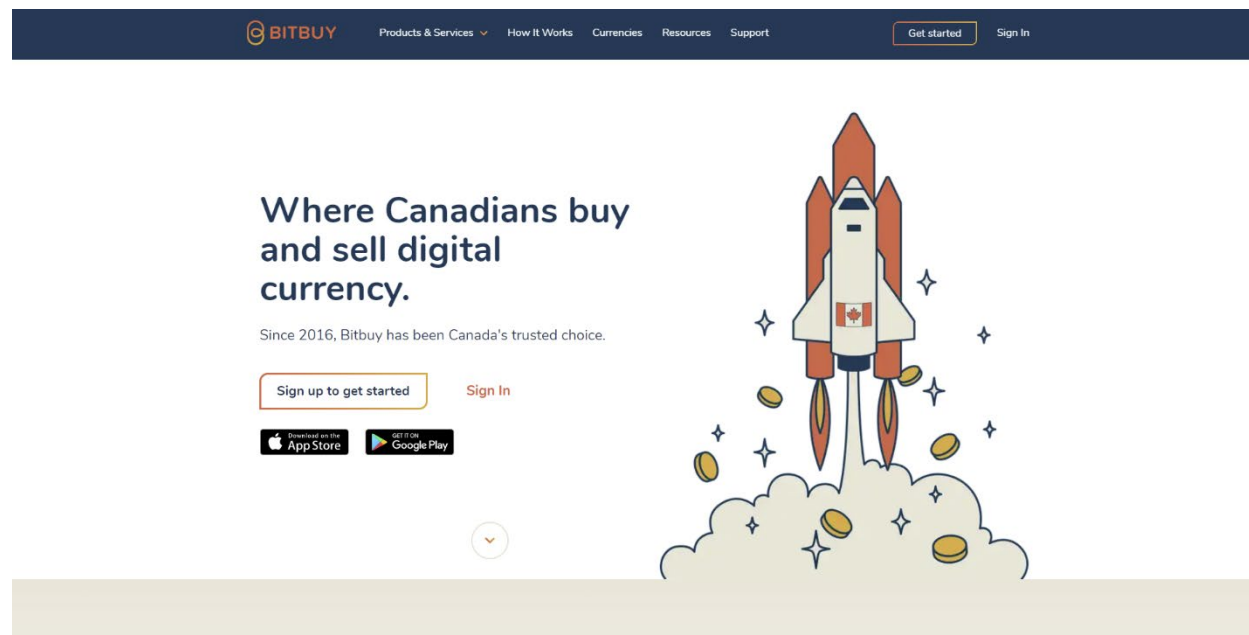
Score Determination Factors:

- Identified KYC Policy – Implemented and Enforced
- Operates in Low-Risk Jurisdiction – Canada
- No Negative Media Associated with Bitbuy
- Jurisdiction Registration Requirements Met and Valid Registration Verified
- No Regulatory or Law Enforcement Actions Taken Against Bitbuy
- No High-Risk Business Associations
- No Goods or Services Offered on Darknet Markets
- No Associations with Cybercrime
- No Associations with Terrorism
- Does Not Require Encrypted Communication

Proof of Reserve Factors:

- Cold Wallet Storage Audit – Average 98.12% of Funds Held in Cold Wallet Storage

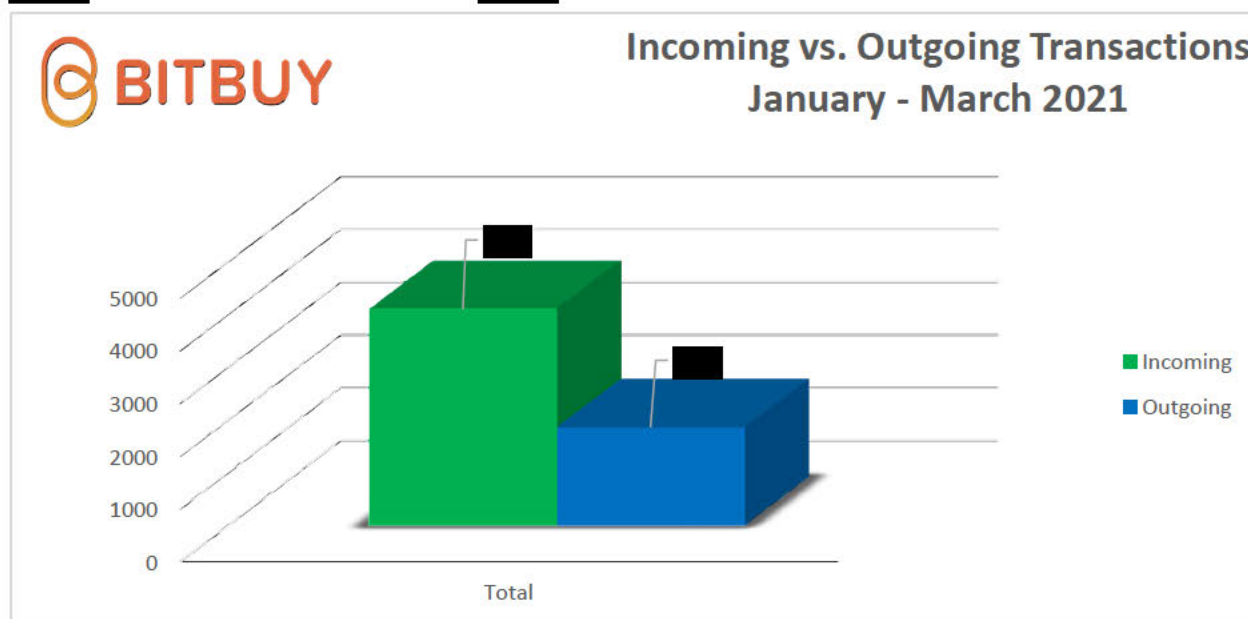
Bitbuy's policies explicitly describe KYC/AML procedures, which were verified at the time of review. The company and its parent organization hold the appropriate licensing and registration with the Canadian federal government and the Financial Transactions and Reporting Analysis Centre. Additionally, an audit of Bitbuy's cold storage reserves was conducted, during which Bitbuy provided proof of control over their cold wallet storage addresses to Blockchain Intelligence Group. The results of this audit confirmed that Bitbuy maintains its policy of holding 95% of its custodial funds in cold wallet storage. Based on the research findings, Bitbuy is at a lower risk for theft, fraud, money laundering, sanctions evasion, and terrorist financing.

Website:<https://bitbuy.ca/en>**Bitbuy Website URL'S:**

- Landing Page (<https://bitbuy.ca/en>)
- About Bitbuy (<https://bitbuy.ca/en/about-us/>)
- Terms and Conditions (<https://bitbuy.ca/en/terms/>)
- Privacy Policy (<https://bitbuy.ca/en/privacy/>)
- License Statement (<https://support.bitbuy.ca/hc/en-us/articles/360030985012-Is-Bitbuy-a-registered-Money-Service-Business-MSB->)
- Support Page (<https://support.bitbuy.ca/hc/en-us>)
- Security Information Page (<https://bitbuy.ca/en/security>)
- Trading, Withdrawal, and Deposit Fees Page (<https://bitbuy.ca/en/fees>)

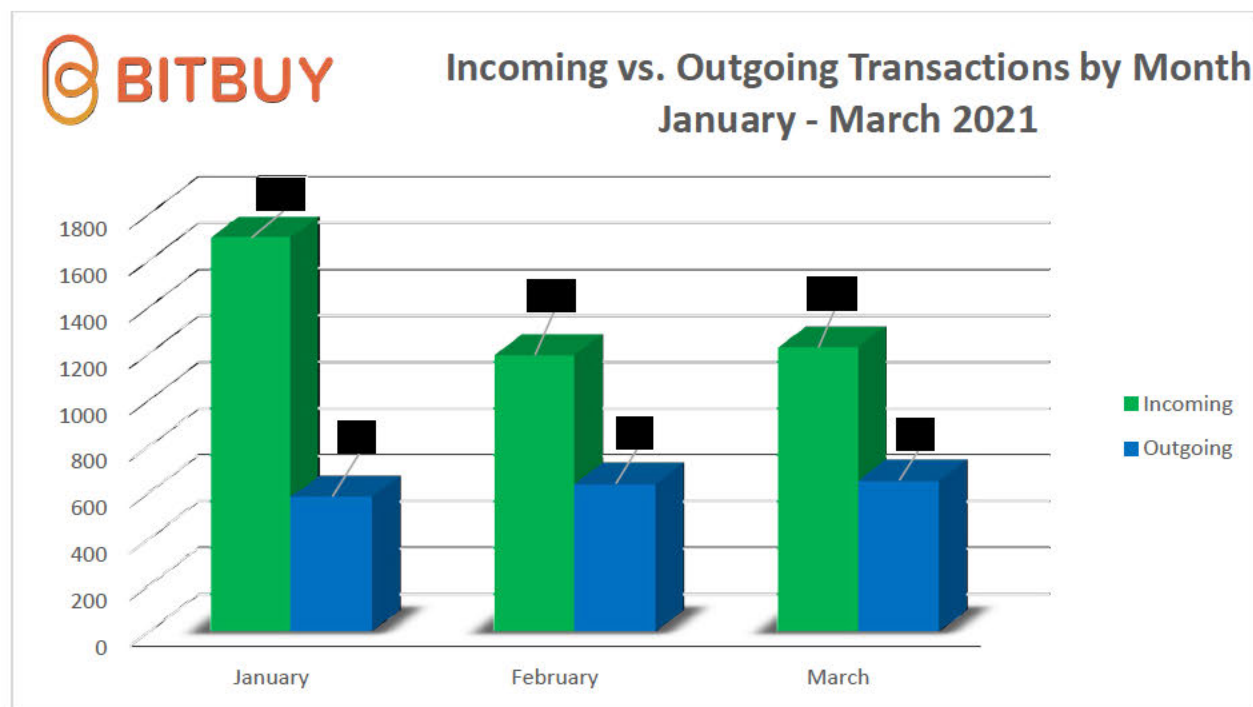
Transactional Analysis – Scoring BTC Q1

An analysis was performed on a sampling of the incoming and outgoing Bitcoin transactions associated with Bitbuy for a 90-day period between January – March 2021.⁴⁰ During the review period, there were [REDACTED] transactions identified in the dataset, with [REDACTED] incoming transactions and [REDACTED] outgoing transactions.



The monthly incoming and outgoing transactions from the sample are depicted in the below graph. Across the 90-day review period, the volume of incoming and outgoing transactions in the dataset fluctuated moderately.

⁴⁰ The analysis was performed using data from Blockchain Intelligence Group™ proprietary heuristic methods.

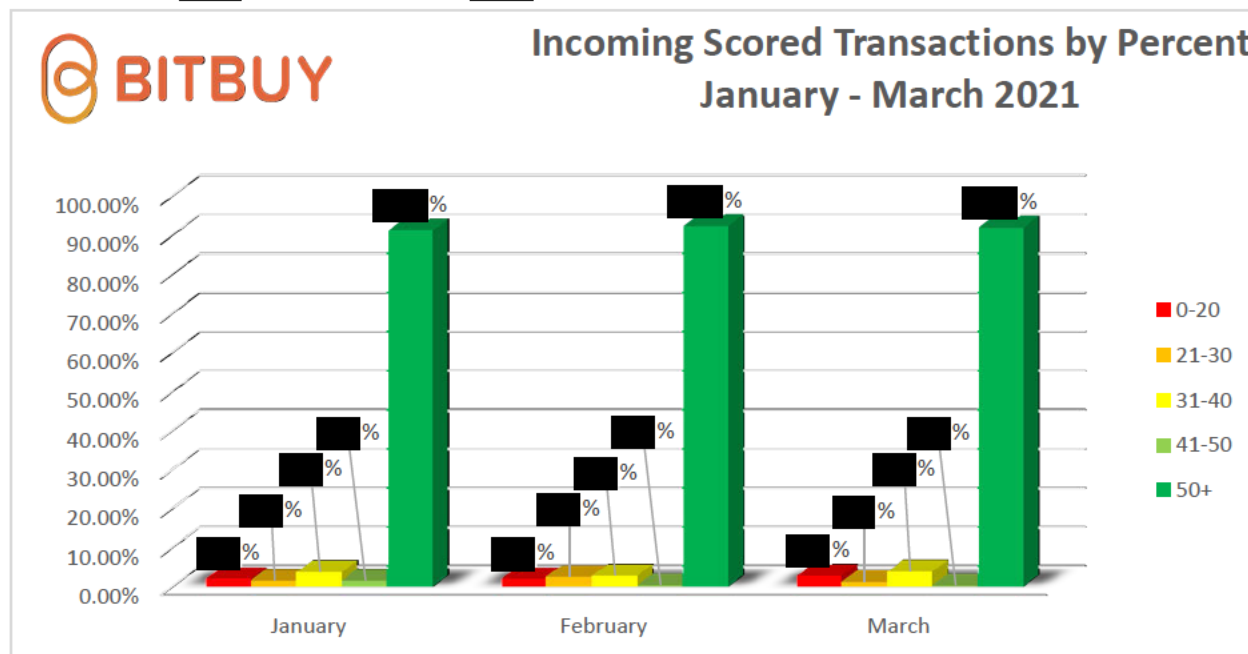


Risk Scoring Classification Table

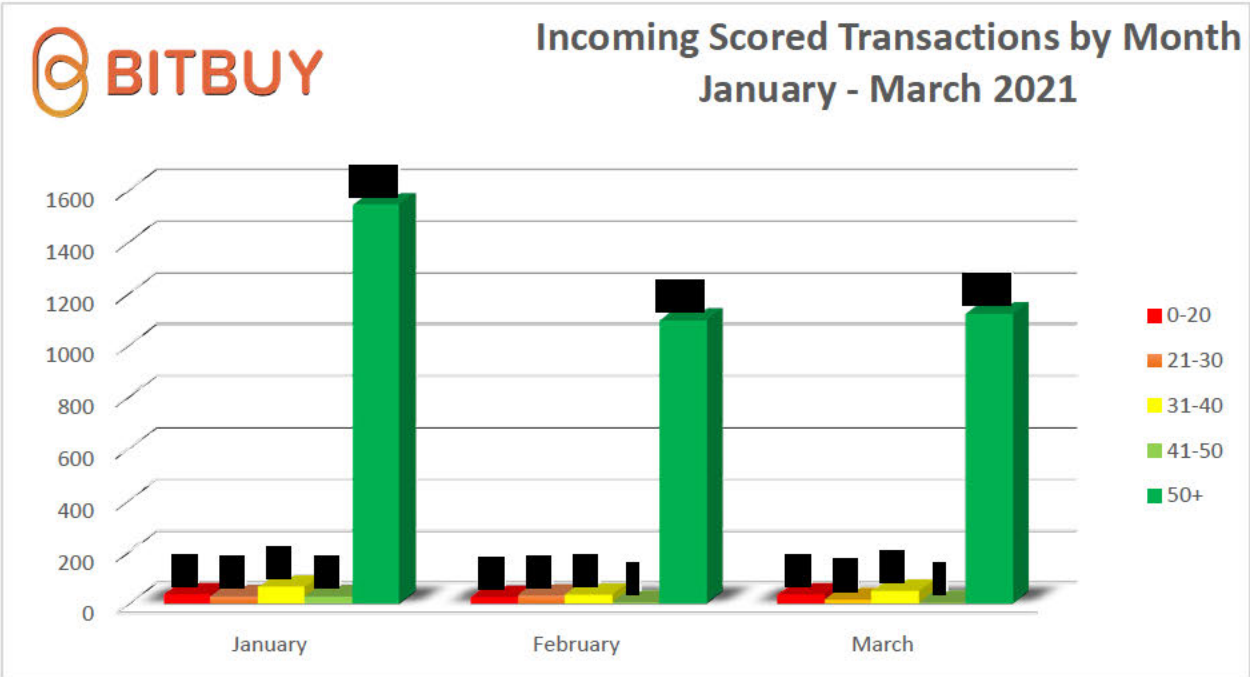
	50+	Low Risk
	41-50	Acceptable
	31-40	Medium Risk
	21-30	High Risk
	0-20	Unacceptable

Incoming Analysis

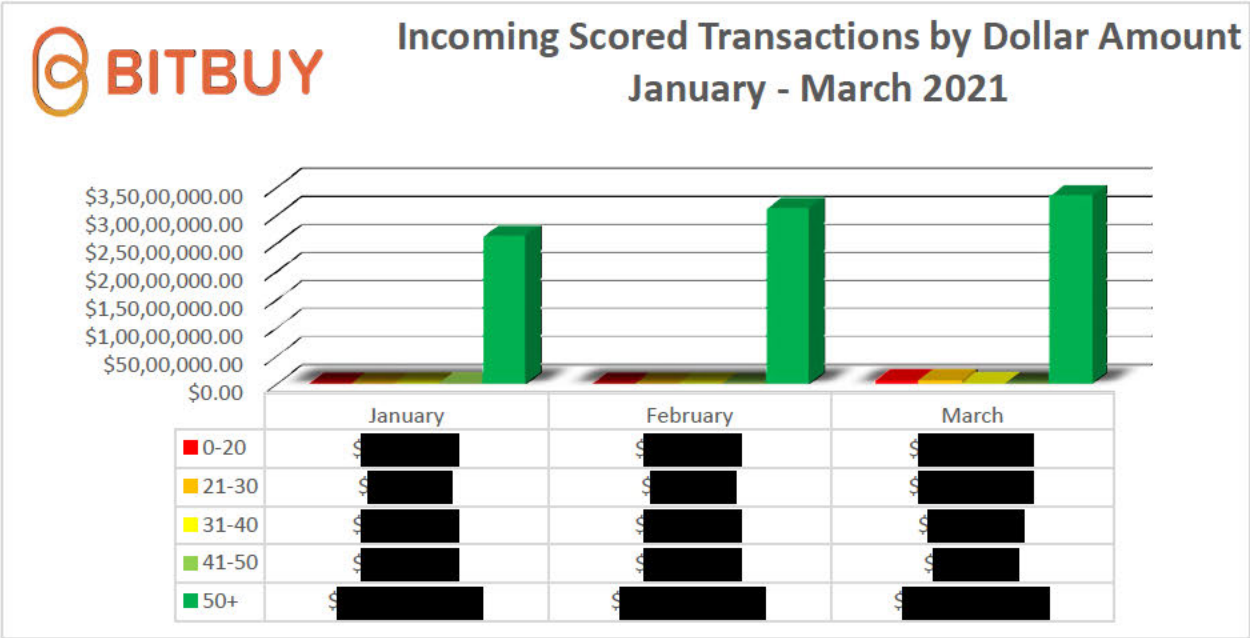
There were [REDACTED] incoming transactions identified during the 90-day review sample. Results of the Incoming Analysis indicate that approximately [REDACTED]% of the incoming transactions scored in the range of 50+, with a slight increase noted in February. The transactions scoring in the highest risk range (0-20) slightly increased through the sample period from [REDACTED]% in January to [REDACTED]% in March.



The below chart shows the number of incoming transactions from the dataset by risk score category.

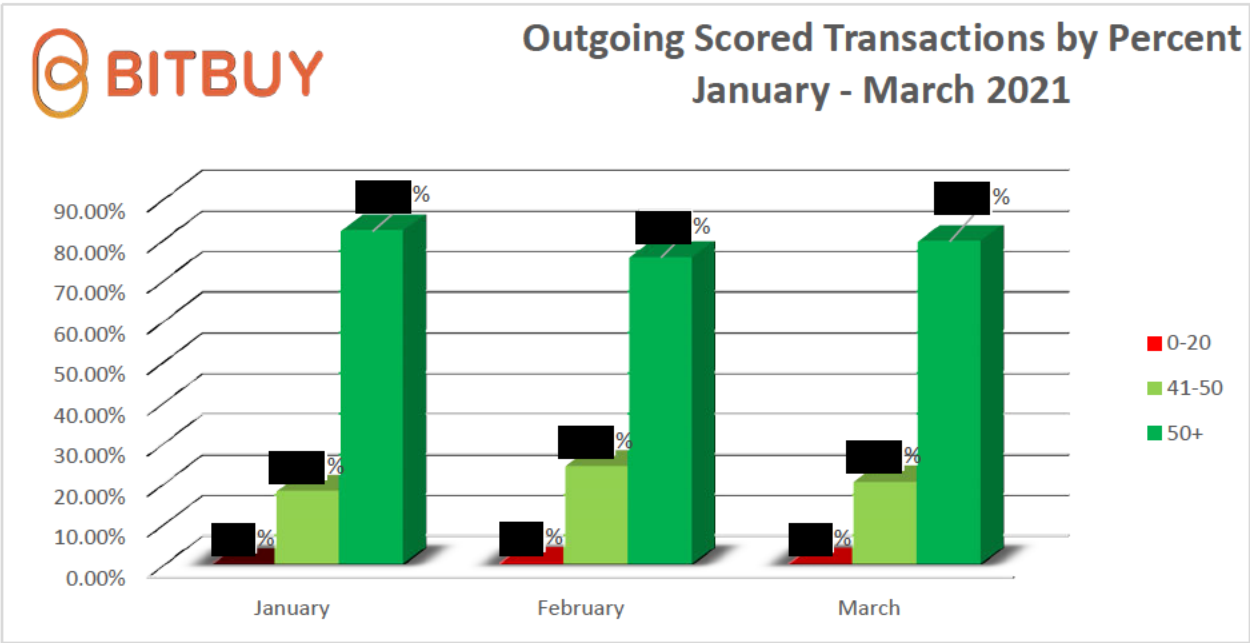


The below chart shows the dollar amount of incoming transactions from the dataset by risk score category.

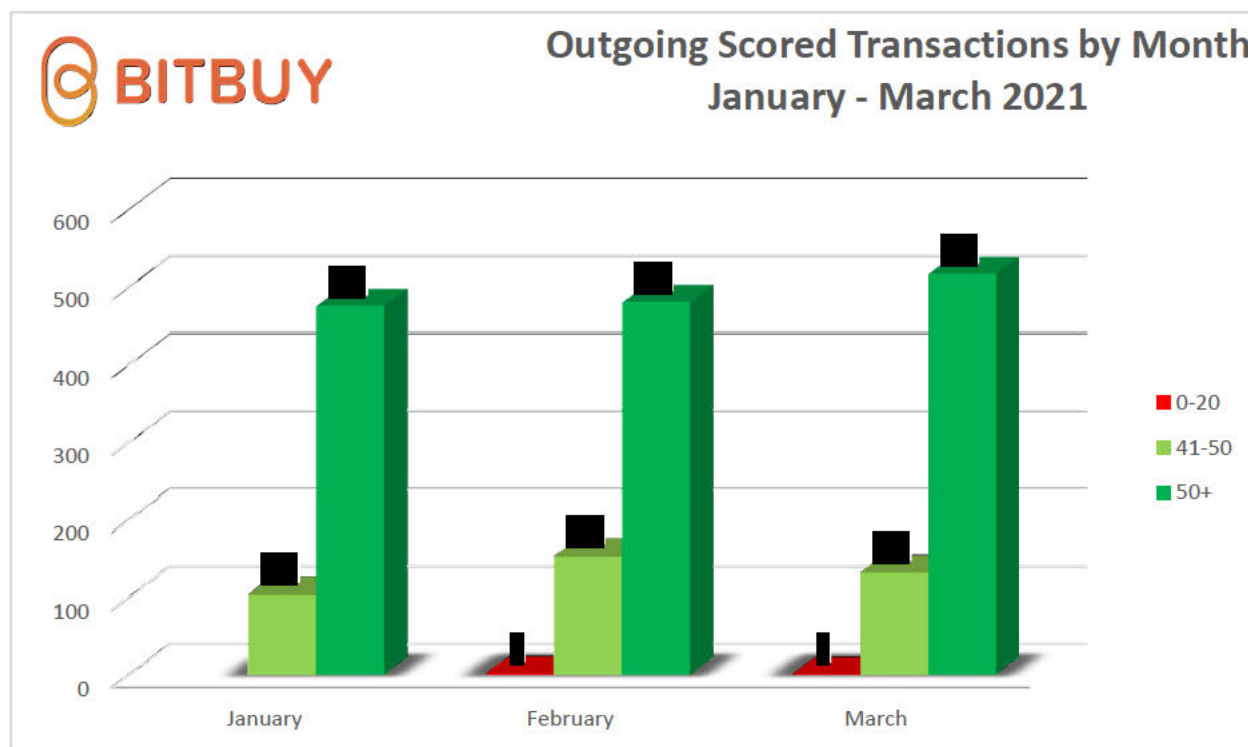


Outgoing Analysis

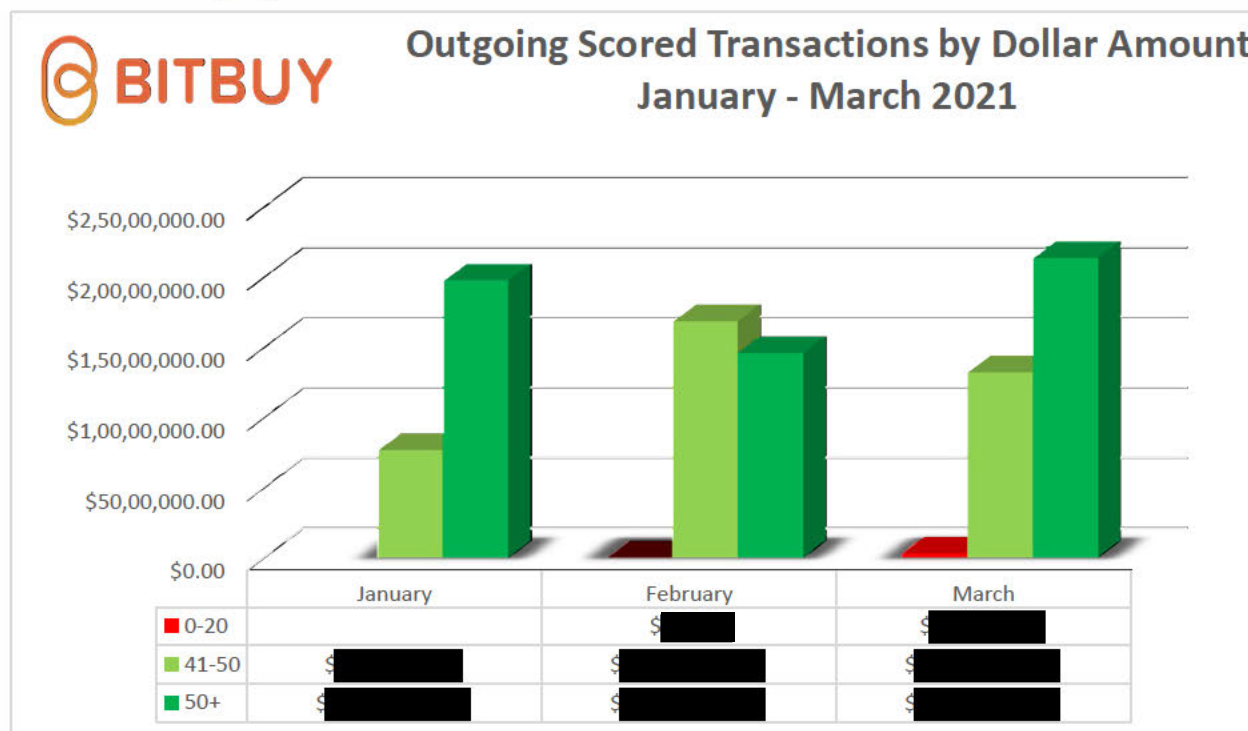
There were [REDACTED] outgoing transactions identified during the 90-day review. Results of the Outgoing Analysis indicate that between approximately [REDACTED] % - [REDACTED] % of the outgoing transactions scored in the range of 50+, with the range fluctuating through the 90-day period. The transactions scoring in the highest risk range (0-20) marginally increased through the 90-day review, with a peak identified in February with [REDACTED] % down to [REDACTED] % in March.



The below chart shows the number of outgoing transactions from the dataset by risk score category.



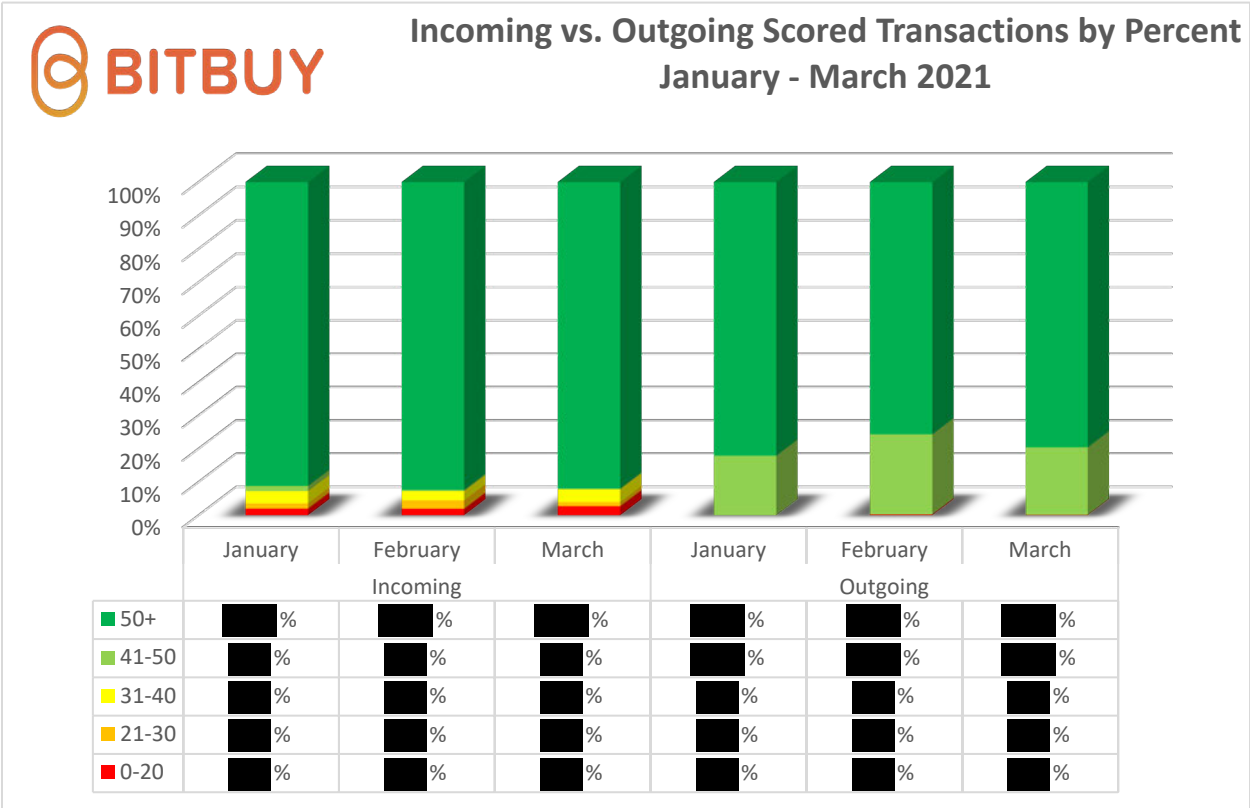
The below chart shows the dollar amount of outgoing transactions from the dataset by risk score category.



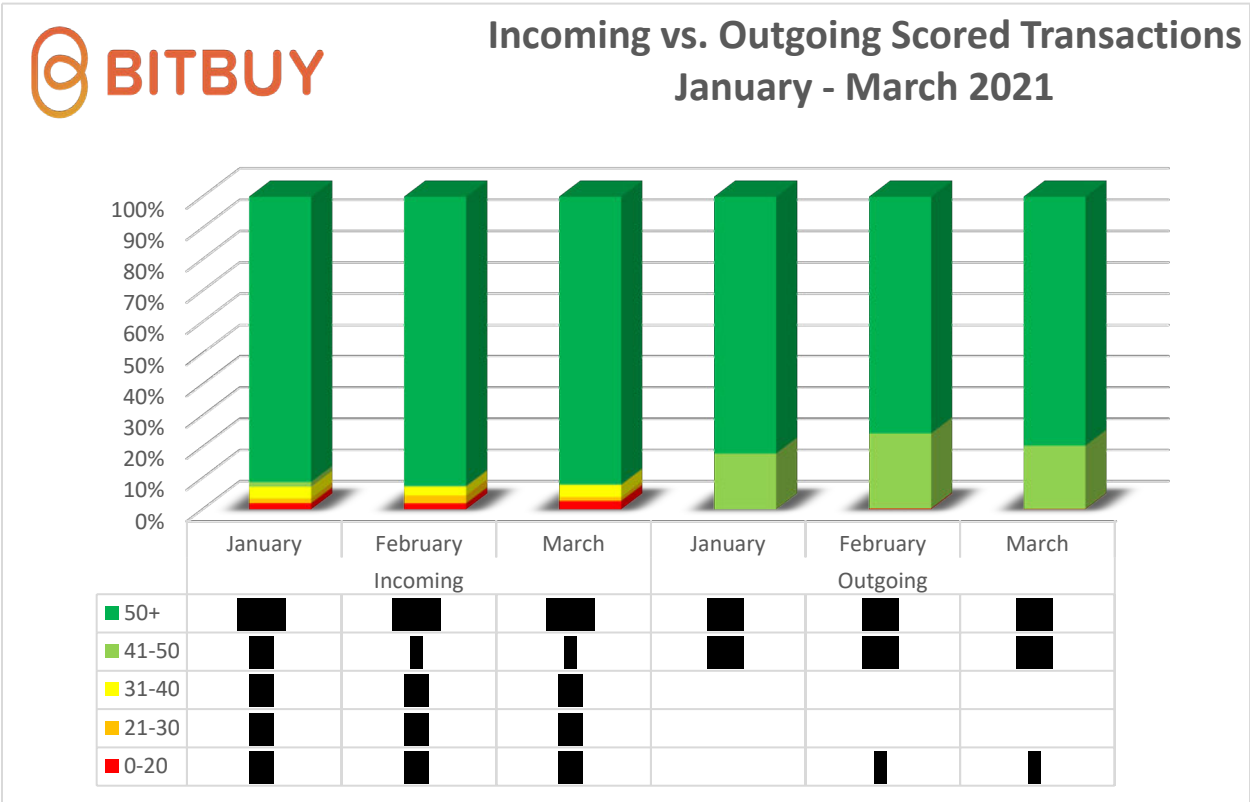
Minimum Score Analysis

The minimum score identifies the highest risk addresses associated with a transaction. In the chart below, the lowest scored addresses were calculated based on percentage per month during the 90-day review (sample).

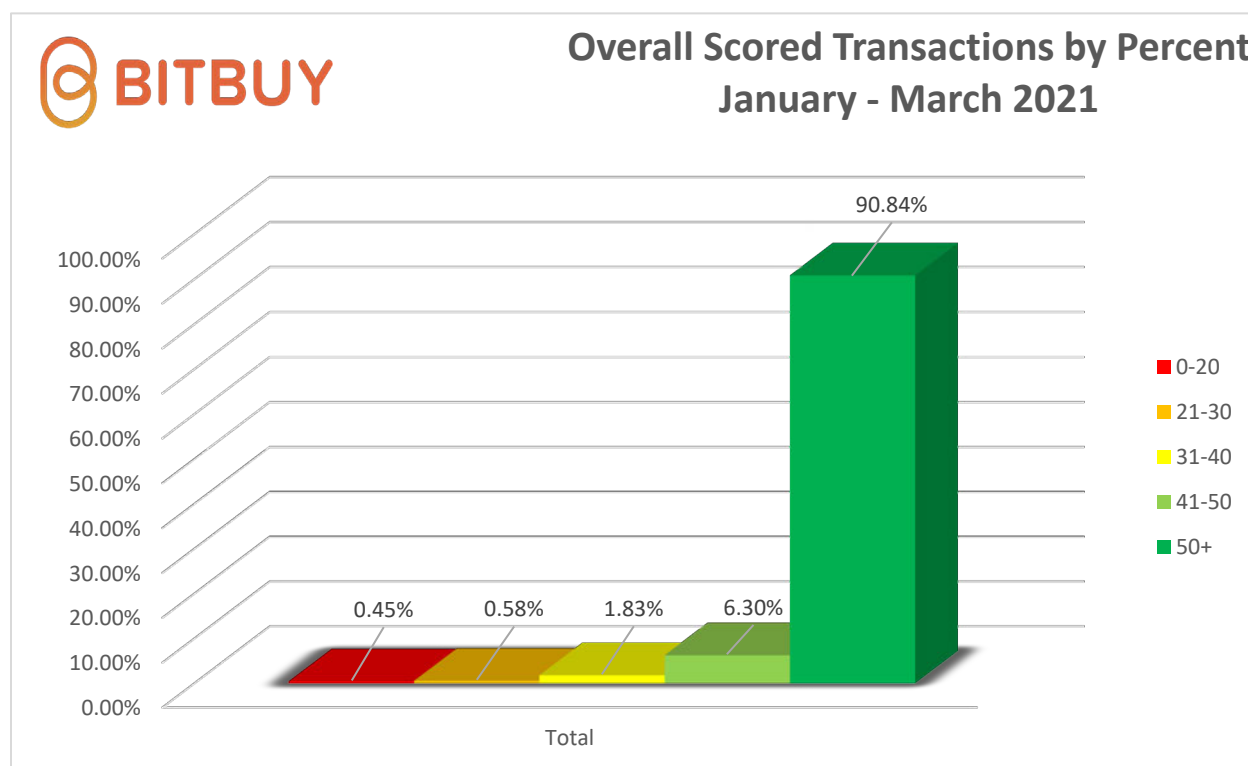
The incoming activity reveals an average of ███% of the transactions were associated with high-risk addresses, while the high-risk associations for the outgoing activity showed an average of ███%.



The below graph depicts the incoming and outgoing transaction counts from the dataset for the Minimum Score over the 90-day review period.



A Transactional Risk Score represents the percentage of transactions that scored in an acceptable range (low to medium risk). Based on the 90-day activity sample, the Bitbuy Transactional Risk Score is 98.97% (Low Risk).



Transactional Analysis – Scoring LTC Q1

There was not enough Litecoin (LTC) transaction data for Q1 - 2021 to perform an accurate transaction risk scoring analysis for Bitbuy.

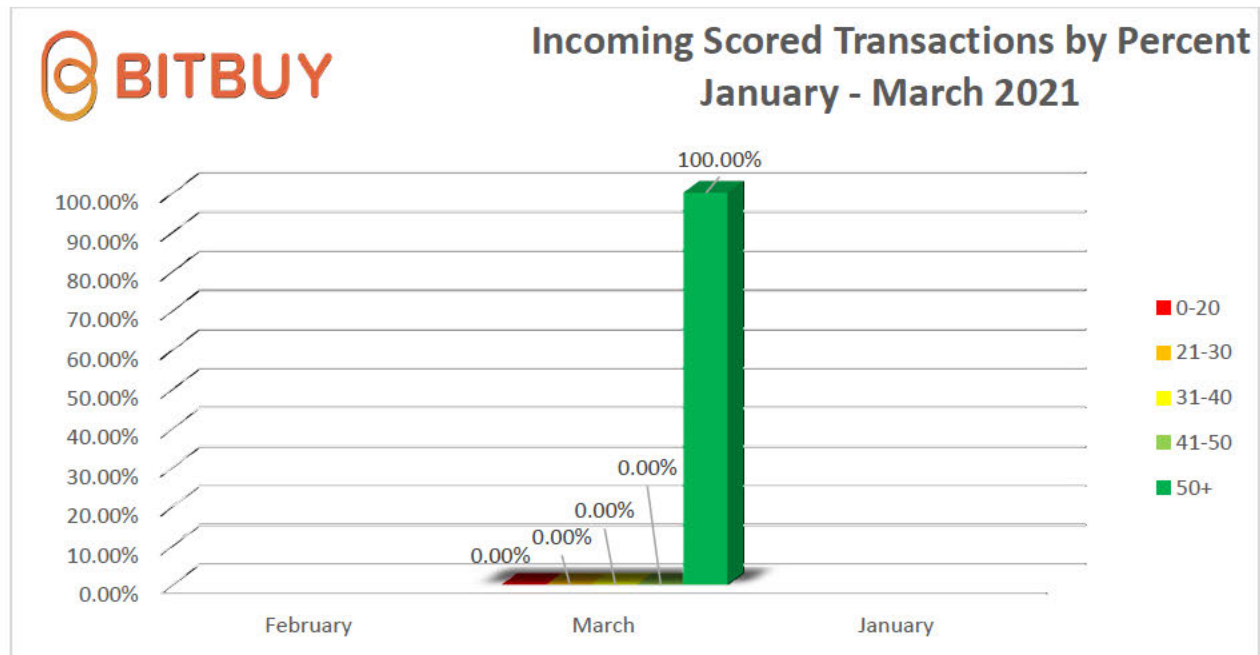
Transactional Analysis – Scoring ETH Q1

An analysis was performed on a sampling of the incoming Ethereum transactions associated with Bitbuy for a 90-day period between January – March 2021.⁴¹

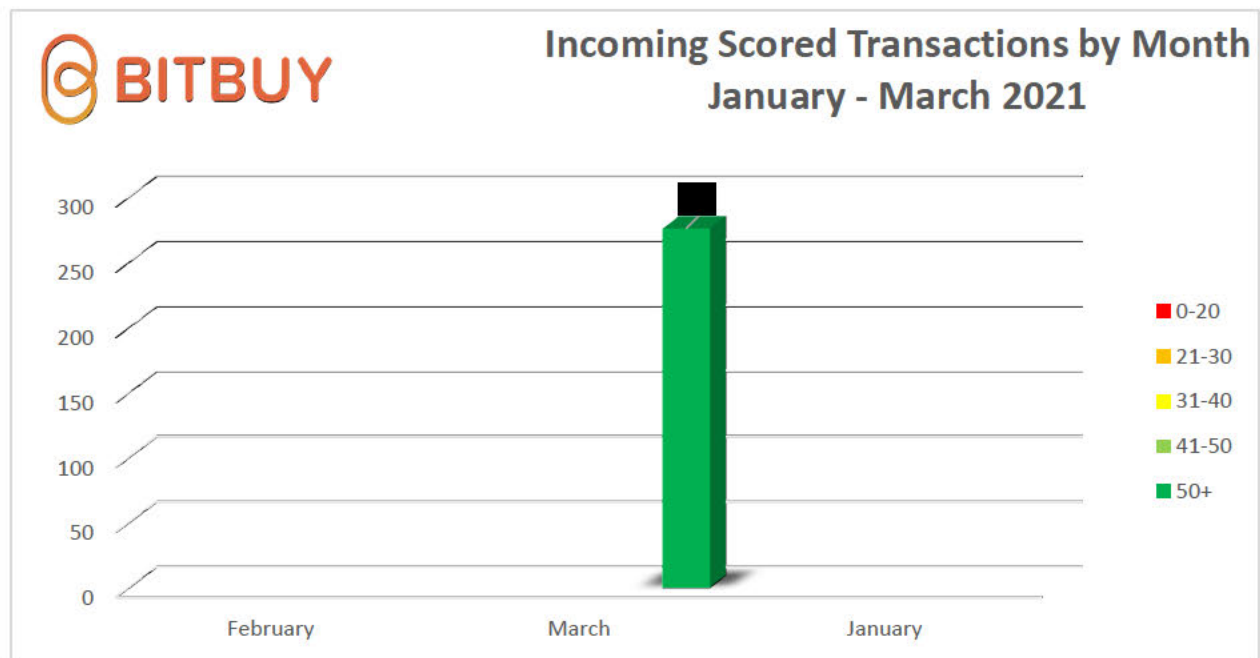
Incoming Analysis

During the review period there were [REDACTED] incoming transactions identified in the dataset during the 90-day review. Results of the Incoming Analysis indicates that 100% of the incoming transactions scored in the range of 50+. There were no transactions scoring in the highest risk range (0-20) during the sample period.

⁴¹ The analysis was performed using data from Blockchain Intelligence Group™ proprietary heuristic methods.



The below chart shows the number of incoming transactions from the dataset by risk score category.



A Transactional Risk Score represents the percentage of transactions that scored in an acceptable range (low to medium risk). Based on the 90-day activity sample; the Bitbuy Transactional Risk Score is: 100.00% (Low Risk).

