



/2026_Q2

Quarterly Report

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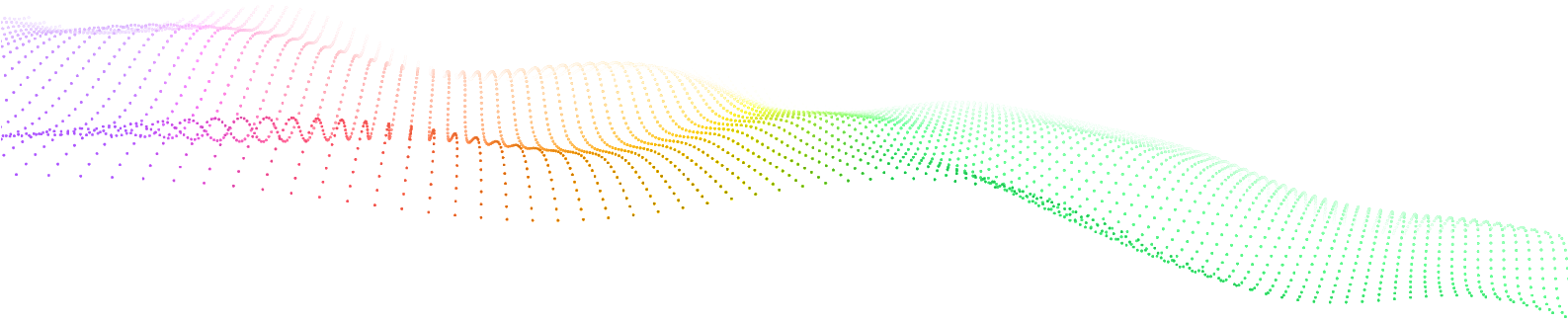
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Marshall Hayner

Dear Investors, Partners and Friends of Metallicus,

Q2 2026 was a quarter of expansion and alignment across Metallicus. We continued building the digital-asset banking infrastructure we believe regulated institutions will need, while also broadening the number of ways that the ecosystem can reach the market. More specifically, we are increasingly focused on how our technology stack can help banks and credit unions improve deposit retention by giving them modern wallet, payments, stablecoin, and digital-asset capabilities without pushing customer relationships outside the institution. The clearest company-level example in Q2 was the launch of Innovation Program 2.0 with CrossState Credit Union Association, beginning with an initial cohort of 50 credit unions exploring stablecoins, digital identity, blockchain infrastructure, and faster payments.

At the product level, we made meaningful progress on the systems that support long-term deployment. Metal Pay enterprise integration work moved into clearer execution phases, passkeys improved account access, and WebAuth advanced into a more polished multi-network wallet experience with its first major Connect UI/UX refresh in nearly five years. Across the broader stack, Metal Blockchain continued strengthening its validator footprint and PulseVM roadmap, Metal L2 established a clearer long-term direction through the Homecoming proposal, and Metal Dollar moved closer to broader distribution with governance approval for Ethereum expansion and Q3 launch preparation.

Q2 also reinforced that our strategy is not limited to shipping isolated features. LOAN Protocol crossed \$500 million total lent, demonstrating real utility across our DeFi infrastructure. Metal Dollar governance widened to consider additional basket assets such as MGUSD, FIDD, RLUSD and SOFID, supporting our view that the digital-dollar market is becoming more fragmented and more important at the same time. We believe Metallicus is well positioned to help simplify that fragmentation across wallets, payments, stablecoins, and onchain financial products.

Q2 also brought a stronger external signal for XPR Network. During the quarter, XPR landed in the top 40 blockchains by DeFi TVL and, at one point, overtook XRPL in the rankings. That kind of visibility matters because it reinforces that the ecosystem is not only shipping infrastructure, but also sustaining measurable onchain relevance.

Behind the scenes, we continued strengthening the operating foundation required to support institutional growth. Security testing, compliance work, licensing readiness, privacy, and SOC 2 efforts all remained active through the quarter. We also welcomed new team members and continued hiring in areas that support the next phase of product and infrastructure execution. As we move through the rest of the year, that institutional deposit-retention story will remain a central focus across our product, partnership, and go-to-market efforts.

Thank you for your continued support.

Marshall Hayner
Co-Founder & CEO

CrossState and Metallicus launched Innovation Program 2.0 with an initial cohort of 50 credit unions.

The strongest company-level headline in Q2 was the launch of Innovation Program 2.0 with CrossState Credit Union Association. The initiative begins with 50 participating credit unions across New Jersey and Pennsylvania and gives institutions a structured way to evaluate stablecoins, digital identity, blockchain infrastructure, and faster-payment workflows inside a sandbox and education framework.

The announcement strengthens Metallicus' institutional distribution story.

This matters because it moves the Metallicus value proposition further beyond product availability and toward organized institutional adoption. Rather than asking credit unions to evaluate digital-asset infrastructure in isolation, the program gives them a practical path to learn, test, and prepare through a coordinated regional initiative.

The pilot also supports the broader stablecoin and wallet thesis.

The same stack that powers stablecoins, digital identity, and wallet infrastructure for consumers and crypto-native users can also support future credit-union use cases. CrossState gives Metallicus a stronger institutional channel for that story and provides one of the clearest external proof points of Q2.

Metal Blockchain continued deepening its infrastructure footprint in Q2.

Q2 was an important quarter for Metal Blockchain as the network advanced through validator growth, infrastructure tooling, and continued execution around A-Chain, B-Chain, and PulseVM. The quarter was less about a single consumer-facing launch and more about reinforcing the technical foundation needed for long-term ecosystem growth.

Validator participation continued expanding toward the low-220s by late Q2.

Public June explorer snapshots showed Metal Blockchain operating at roughly the 220-validator level, reinforcing the network's continued growth in infrastructure depth and participation. That is a useful external signal because it shows the chain's operating base broadening as more roadmap pieces move closer to readiness.

PulseVM and A-Chain continued moving closer together as the roadmap became clearer.

PulseVM continued advancing during Q2, with active testing, fixes, and performance-oriented improvements on testnet. In practical terms, A-Chain is the PulseVM-based path for bringing the XPR Network model onto Metal Blockchain, which makes this work strategically important well beyond a single chain component.

A-Chain, B-Chain, and core node software all remained central to the roadmap.

A-Chain wallet and explorer work continued on testnet, while B-Chain remained the home of the BitcoinVM architecture within the broader Metal Blockchain roadmap. Q2 also included the release of metalgo v1.13.5 ("Fortuna"), giving the network another concrete infrastructure upgrade during the quarter. Together, these efforts support the company's longer-term strategy of building specialized blockchain infrastructure that can serve both crypto-native and institution-oriented use cases.

Metal Pay continued maturing as both a retail product and an institutional infrastructure layer.

Q2 progress across Metal Pay centered on enterprise integration, account access, internal tooling, and product readiness. The quarter reinforced the idea that Metal Pay is not only a retail-facing app brand, but also a key operating layer within the broader Metallicus stack.

Enterprise integration work moved into clearer phases.

By June, Metal Pay API enterprise integration had completed Phase 1 and moved into Phase 2 and additional functionality. That matters because it reflects concrete progress toward partner-ready infrastructure rather than open-ended roadmap language.

Passkeys implementation improved account security and lowered friction.

Passkeys launched during Q2, giving users a more modern and secure way to access Metal Pay. This is an important usability milestone because it improves both convenience and trust at the account layer while aligning the product more closely with modern authentication expectations.

Internal tooling and reporting capabilities also improved.

The new Metal Pay internal dashboard moved into QA, while tax accounting, ledger, and reporting work continued in parallel. These updates are not flashy from the outside, but they directly support the operating maturity required to scale payments, reporting, and partner infrastructure responsibly.

Metal Dollar moved materially closer to broader multi-chain distribution in Q2.

The clearest Metal Dollar milestone in the quarter was governance approval for XMD to expand to Ethereum. That decision establishes a stronger path toward wider DeFi accessibility, deeper liquidity opportunities, and broader market reach heading into Q3.

Ethereum expansion creates a more ambitious next chapter for XMD.

The Ethereum proposal positions Metal Dollar for native minting and broader use across one of the deepest liquidity environments in crypto. From an investor perspective, that matters because it moves XMD beyond testnet and architecture work toward a larger addressable opportunity.

Oracle, audit-remediation, and launch-readiness work continued underneath the headline.

Q2 also included meaningful infrastructure progress around XMD pricing and oracle systems. By June, all audit findings tied to XMD and price-oracle work had been addressed, while Chainlink support was finished for the Ethereum launch path.

Metal Dollar's compliance-first model also became more relevant in Q2.

As stablecoin regulation becomes more defined in the United States, including through the GENIUS Act, Metal Dollar's architecture looks increasingly differentiated. The model is built around verified issuer relationships for mint and redeem flows, supported by identity and KYC controls at the account layer, while preserving the token's broader onchain utility once in circulation. That gives Metal Dollar a stronger compliant-by-design narrative than many stablecoin projects that are only now adapting to emerging regulatory expectations.

The Metal Dollar basket story also broadened in Q2.

New governance proposals are now live to evaluate MGUSD, FIDD, and SOFID as potential future additions to the Metal Dollar basket. These proposals do not mean those assets are already approved or integrated, but they do reinforce a larger strategic point: the Metal Dollar basket has the potential to become materially more diverse as more regulated onchain dollars enter the market.

The mint and redeem experience also received a cleaner user-facing refresh.

Q2 included a redesigned Metal Dollar mint and redeem site, including a stronger UI/UX treatment and dark mode that brings the experience more in line with the broader Metallicus web ecosystem. This is a smaller product detail than Ethereum expansion, but it still matters because clearer design helps make the stablecoin experience feel more cohesive and more production-ready.

LOAN Protocol crossed \$500 million total lent in Q2.

The clearest Q2 story for Metal X was usage and scale. LOAN Protocol crossed \$500 million total lent during the quarter, a strong milestone that helps demonstrate real activity and real utility across Metallicus' DeFi infrastructure.

The milestone reinforces Metal X as more than a product interface.

Metal X is the front-end experience, but LOAN Protocol is one of the clearest signs that the broader ecosystem is supporting meaningful onchain lending activity. Crossing the half-billion-dollar threshold strengthens the case that the lending stack is maturing into durable infrastructure rather than remaining an experimental feature set.

Governance also approved the first direct protocol fee model.

Q2 included the passage of LOAN-001, which activates the protocol's first direct fees through a capped withdrawal fee and a treasury share of the existing liquidation incentive. This is an important milestone because it creates a new revenue stream to support ongoing engineering, audits, compliance, institutional onboarding, and long-term protocol maintenance.

Protocol refinement and market visibility continued in parallel.

Q2 also included ongoing work around lending smart-contract implementation changes and broader requirements planning for future market features. At the same time, Metallicus continued running Metal X lending campaigns on X, generating more than 3.1 million impressions during the quarter and helping keep the product visible to a wider market audience. Taken together, the quarter showed both real scale already achieved and continued effort to prepare the next stage of product depth.

WebAuth entered a new product era with its first major Connect UI/UX refresh in nearly five years.

One of the most visible Q2 updates was the new Connect WebAuth interface for dapps. The redesign gives the product a more modern, cohesive feel and better reflects what WebAuth has become: a cleaner access layer for connecting users, wallets, and applications across a broader multi-network ecosystem.

The redesign was not just visual.

The refresh matters because it makes the wallet easier to navigate, easier to understand, and better prepared for broader user acquisition. A stronger interface helps close the gap between underlying product capability and how clearly that capability is communicated to the user.

Security and trust work continued alongside the design refresh.

Q2 also brought a positive security signal, with WebAuth's penetration test reporting zero critical and zero high issues. At the same time, broader account-hardening and wallet-readiness work continued across areas such as YubiKey support and deeper A-Chain integration.

Together, these updates strengthen WebAuth as a long-term entry point into the Metallicus ecosystem.

WebAuth is increasingly becoming more than a wallet. It is emerging as a cleaner access layer across payments, identity, stablecoins, and multi-network asset management, which makes the Q2 design and security progress especially important.

XPR Network maintained meaningful DeFi visibility and ecosystem relevance through Q2.

The strongest investor takeaway for XPR Network in Q2 is continued durability with improving visibility. During the quarter, XPR reached the top 40 blockchains by DeFi TVL and later sat at roughly #41 with about \$40.5 million in TVL, ahead of XRPL at the time of report preparation.

That matters because consistency is part of the story.

For XPR, the key point is not a one-week ranking spike. It is that the network has continued to maintain a real base of DeFi activity while the broader Metallicus ecosystem expands around wallets, stablecoins, and infrastructure.

Q2 also supported the broader ecosystem through governance and infrastructure continuity.

As governance activity around Metal Dollar and Metal L2 expanded, XPR continued serving as an important operating environment for proposals, ecosystem coordination, and supporting infrastructure. This helps preserve XPR's role as part of a broader interconnected stack rather than a standalone network narrative.

Metal L2 established a clearer long-term direction in Q2 through the Homecoming proposal.

The most important Metal L2 development in the quarter was MIP-002: Homecoming, which set the path for Metal L2 to move from the Optimism Superchain toward a sovereign Metal Blockchain subnet. This is a strategic infrastructure decision that better aligns Metal L2 with Metallicus' longer-term goals around performance, control, and ecosystem cohesion.

The proposal matters because it clarifies where Metal L2 is going.

Rather than remaining indefinitely dependent on an external stack, the Homecoming direction positions Metal L2 to align more closely with the Metal Blockchain ecosystem while preserving EVM compatibility. That creates a stronger architecture for future exchange integrations, stablecoin support, and ecosystem control.

Operational continuity remained important during the transition period.

Q2 also included continued OP Stack maintenance and upgrade work as the network moved through the transition period. This reinforces that Metallicus is approaching the migration responsibly by maintaining the current environment while preparing the longer-term destination.

Metal L2 remained tightly connected to the XMD roadmap.

Oracle readiness, Ethereum-launch support, and broader XMD infrastructure work all continued to intersect with the Metal L2 story. That makes L2 not just a chain narrative, but an important part of the broader stablecoin and liquidity roadmap.

Compliance And Operations

Compliance and operating discipline remained tightly integrated with product execution in Q2.

The quarter continued the broader Metallicus pattern of embedding compliance, security, and controls into product rollout rather than treating them as separate support functions. This remains an important part of the investor story because long-term institutional adoption depends on operational credibility as much as feature velocity.

Security and control work produced tangible progress.

WebAuth's penetration test result of zero critical and zero high findings is one of the clearest Q2 proof points. Alongside that, privacy, licensing, access-control, and SOC 2 work remained active as the company continued strengthening its institutional operating foundation.

Monitoring, AML, and readiness efforts continued in parallel.

Q2 also included continued work around KYC flow improvements, AML scheduling, AI-enabled Anti-fraud detection, fraud-prevention planning, and broader compliance process maturity. The significance here is not any one isolated task, but the continued accumulation of readiness across the stack.

Client-services performance also remained strong.

By May, support operations were showing stable first-response times, improved resolution time, 100% CSAT, and stronger SLA performance. Those metrics help reinforce that product growth is being matched by responsive operating support.

Media and Press

Q2 public visibility was driven more by institutional and ecosystem announcements than by conference media.

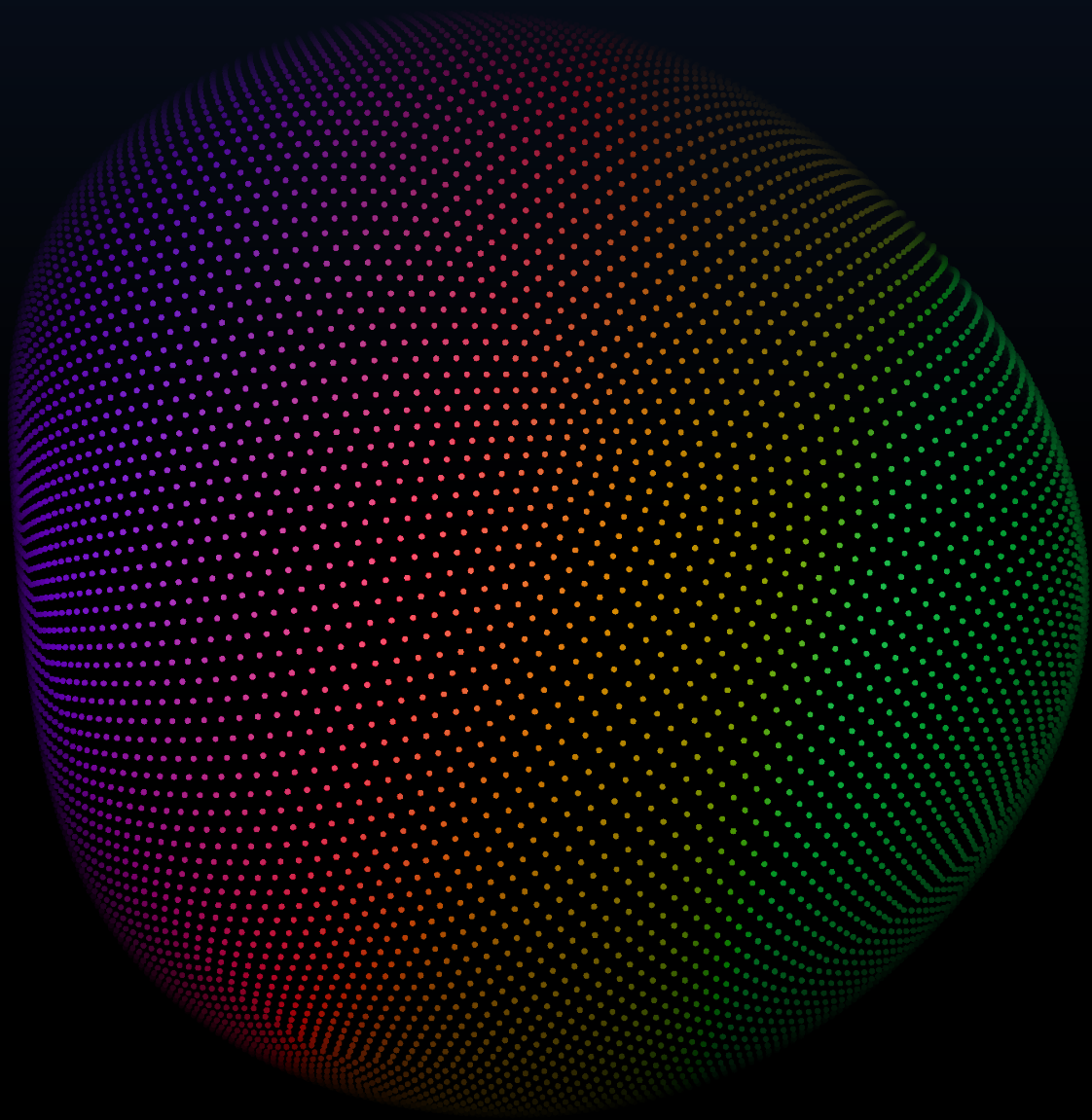
The strongest outward-facing visibility in Q2 came from announcements that tied directly to adoption and infrastructure. The CrossState launch helped position Metallicus more clearly in front of the credit-union market, while the Homecoming proposal and Metal Dollar governance updates supported the broader ecosystem narrative around architecture and stablecoin expansion.

That mix still matters from an investor standpoint.

Not every quarter needs to be led by interviews or conference appearances. In Q2, the more important signal was that Metallicus continued creating externally visible proof points around institutional adoption, governance momentum, and network direction.

LOAN Protocol and Metal Dollar also contributed to market-level visibility.

LOAN Protocol crossing \$500 million total lent and the Ethereum approval for XMD both gave the ecosystem stronger milestones to point to publicly. Together, these announcements helped reinforce Metallicus as a company building across payments, wallets, lending, stablecoins, and blockchain infrastructure in parallel.



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