Metallicus

/2025_Q1

Quarterly Report

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Dear Investors, Partners, and friends of Metallicus,

It has been a little while since our last update, we have been heads down, engineering during what might be the most exciting moment in crypto. And as you may have heard, Metallicus is celebrating its 10th year later this year. It is a big milestone, and this year already feels like a special one.

We are seeing real progress on digital asset regulation in the U.S., including the passage of the GENIUS Act and an administration that's now leaning into the technology we have spent the past decade building. Glenn and I bring 30 years of combined experience in this space, and seeing that commitment start to align with policy is a major shift, and a welcome one.

We have always believed blockchain was here to empower financial institutions, not replace them.

That belief is becoming real.

We now have access to over 750 financial institutions through our network, and we continue to support each of them at their own pace, helping lay a secure, compliant path to bringing financial operations on-chain.

Many of those institutions are already deploying and exploring live use cases with us. After years of listening closely to their needs, we have also designed our first proprietary blockchain, built by Metallicus and shaped by those it is meant to serve.

It will soon be available to select members of the Banking Innovation Program, institutions actively shaping what comes next.

Everything we build is designed to bring one idea closer to reality: you will witness the day when you stop working for money, and money starts working for you.

Marshall Hayner
Co-Founder & CEO

Marshall Hayner

Finance & Compliance Update

Another strong period of growth.

Compliance remains central to everything we build. We continue to pursue key regulatory licenses, including money transmitter licenses across the United States, while also exploring licensing frameworks in international markets. Our approach remains proactive, structured, and aligned with long-term institutional trust.

On the financial side, we are seeing strong growth across our core products.

- Total revenue is up 71% versus the previous quarter
- Revenue from trading fees increased by 115%
- On-ramp revenue increased by 70%
- DEX revenue grew by nearly 90%
- KYC-verified users on Metal Pay increased by 3%
- KYC-verified users on XPR grew by 14%

We continue to explore and expand the key areas driving this momentum.

In Q4 2024, <u>Metallicus acquired Bonifii</u>, a pioneering CUSO with deep roots in the credit union sector and a long-standing focus on decentralized identity. Originally known as CULedger, the team behind Bonifii spent years working to bring blockchain to credit unions through innovations like MemberPass and the Digital Trust Registry.

We want to start by thanking everyone involved, from Bonifii's leadership and engineering teams to our internal product and compliance groups. This wasn't just a transition of systems. It is been a collision of ideas. We are now working shoulder-to-shoulder on new concepts that are already shaping into live proof-of-concepts.

The acquisition brought more than 70 credit unions into the Metallicus ecosystem, and we have already expanded that number further since December. With it comes years of industry insight and trust, now integrated into our protocol development and product strategy.

While MemberPass and the Digital Trust Registry continue under their current frameworks, you will start to see them evolve into a more unified offering under the Metal Identity umbrella. Expect updates, and some powerful enhancements in the near future.

A note, from John Ainsworth.

When we joined Metallicus, we were bringing years of work in decentralized identity, real credit union infrastructure like MemberPass and the Digital Trust Registry, built specifically for this sector. What's made this partnership work so well is how seriously the Metallicus team takes engineering.

They are not just building blockchains, they are building real infrastructure for credit unions. Their team understood what we built at Bonifii and helped us take it further. We have gone from vision to working proof-of-concept in a matter of months, and now we are ready to go live with a crypto-as-a-service product unlike anything else on the market.

It is built to slot into existing systems, designed to meet the needs of niche and high-trust credit unions, and already part of a network that's grown to over 750 institutions.

This has been one of the smoothest integrations I have been part of. And it is only the beginning.

If you are curious about what we are doing, I would be happy to share more, just reach out.

John Ainsworth
<u>john.ainsworth@metallicus.com</u>

Banking Innovation Program

The Metal Blockchain Banking Innovation Program isn't a product we sell. It is an open invitation for financial institutions to collaborate directly with real engineers and industry experts to explore how blockchain can improve their infrastructure and drive better experiences for their members.

We are engineering first, marketing second. Our focus has always been on building infrastructure, not selling ideas before they are ready. In a space that moves very fast, we have stayed grounded in what matters: listening to our partners, writing the code, and delivering tools that reduce fraud, retain deposits, and give members a better experience. That is the foundation of the Metal Blockchain Banking Innovation Program, and why so many institutions are choosing to work with us.

The Metal Blockchain Banking Innovation Program is a space where credit unions, community banks, and forward-thinking financial leaders can safely explore what it means to move on-chain together. Access to real infrastructure, hands-on support, and a sandbox to test live ideas in a way that is secure, collaborative, and future-forward.

We now have access to 750+ Credit Unions through both direct and through our partner credit union leagues and associations, with more joining every quarter. With the recent addition of the MD|DC Credit Union Association, we have seen what we always believed: credit unions move as networks. They want to learn together. Innovate together. Solve problems that affect all of them, together.

Whether it is blockchain based identity verification, decentralized risk signal sharing or attribute attestation our proof-of-concepts are already turning into deployable tools. Our first full proof-of-concept is now complete, and we are offering it to early participants in the program. Our partner institutions will help shape the future of compliant, blockchain-based banking infrastructure, and they are the first to benefit from what we have built.

As these institutions move from testing to deployment, they will graduate into something with immediate real world benefits: a new kind of network for regulated financial infrastructure. We call it The Digital Banking Network, or TDBN, a secure, on-chain ecosystem of institutions building with custody, identity, and payments at the protocol level. Connected by a bridgeless blockchain banking protocol.

And because our framework is designed around real-world compliance standards — BSA, KYC/AML, ISO 20022, SOC 2 — you are already ahead.

The benefits only get better from here.

To join the Banking Innovation Program, reach out at: bizdev@metallicus.com

Innovation Program Press Releases

[Bay Federal Credit Union](#)

[Community Healthcare Federal Credit Union](#)

[Empower Federal Credit Union](#)

[Excite Credit Union](#)

[Fairwinds Credit Union](#)

[Gesa Credit Union](#)

[Glendale Area Schools Credit Union](#)

[GreenState Credit Union](#)

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[Vibrant Credit Union](#)

What we have built so far.

- Private, permissioned networks are live — institutions can deploy with their own validators, governance logic, and compliance controls

- Transactions finalize in under 0.5 seconds; interoperable with Ethereum and XPR Network

- WebAuth Wallet is integrated — passkey-native signing, no browser extensions

- Metal Identity is operational — enabling on-chain KYC, credential issuance, and verified access

- Validator staking and governance using METAL is live on the network

- Test infrastructure is active — subnets, nodes, and VMs available to partners

- A-Chain Phase 1 completed; currently running on testnet — early benchmarks are outperforming anything we have tested, and we are just getting started

What is next for Metal Blockchain?

- We continue to meticulously build our integration into FedNow with a production launch slated for 2025.

- A-Chain Phase 2 — a tailored institutional subnet shaped by direct input from credit union and compliance partners

- Additional virtual machine development underway to support broader institutional flexibility

- Bitcoin VM in progress — enabling Bitcoin to move at the speed of typical financial transactions

- WebAuth + Metal Identity integration evolving toward seamless, credential-based sign-in

- SDK and documentation updates focused on faster onboarding and production deployment

Metal Pay

What we have built so far.

- Live in 48 U.S. states, Australia, and New Zealand

- Supports purchases of BTC, ETH, USDC, MTL, METAL, XMD, XPR, LOAN, SOL and more via debit and credit card

- Trades routed through Metal X — sourcing liquidity from our proprietary decentralized exchange, not centralized providers

- Free crypto transfers between users via the XPR Network

- Bitcoin trading and DeFi access live through Metal X, including lending and earn features

- onramp.metalpay.com web version launched — no app required

- A custodial wallet for customers that prefer a higher level of support

- 0% trading fees available for users holding 10,000 MTL

- Higher transaction success rates and card limits than typical onramps

What is next for Metal Pay?

- Passkey support rolling out across Metal Pay for secure, seamless authentication

- Metal Pay onramp embedded in WebAuth

- Native DeFi integrations — bringing Metal X tools directly into the app experience

- Proprietary AI tools to enhance user education and support

- Ongoing UI/UX improvements to unify app and web — creating a seamless experience across the Metal Stack

- Enabling instant crypto purchases from checking accounts through TDBN

WebAuth

What we have built so far.

- Supports Metal Blockchain (including private, permissioned networks), Ethereum, Optimism, Metal L2, and XPR Network, plus all major testnets

- Integrated with WalletConnect across the broader network of dApps and protocols

- Enables biometric transaction signing — passkey-native, no plugins or seed phrases

- Human-readable @name addresses. No 64 character addresses required

- Built-in, secure private key backup system, our *unified account model*

- KYC-enabled — link a verified identity to a wallet address

- Identity credentials stored with institutional-grade encryption

- Members can move assets from Metal Pay into WebAuth instantly and freely using the XPR Network

- Signing that utilizes biometrics and the device's secure enclave, the same standard used by Apple and Google

What is next for WebAuth?

- A full UX redesign is underway — with short-term fixes rolling out and a major update coming for navigation, signing clarity, and overall usability

- Support for more networks is on the way, including plans to bring Bitcoin mainnet into WebAuth

- New features like address books, notifications, aggregated balances, and improved charts will make managing your assets simpler and smarter

- Metal Pay and Metal X are being integrated directly into WebAuth — creating a single, secure home for everything on-chain.

Metal Identity

What we have built so far.

Built and live today:

- Live on XPR Network, Ethereum, and Metal Blockchain

- Users verify once and receive a checkmark next to their on-chain wallet address

- Attestation can be revoked in cases of fraud, and KYC can be set to expire if required

- Works across all Metal applications and blockchains

- Credentials encrypted with institutional-grade security

- BSA-compliant, supports ISO 20022-style messaging

- @names linked to verified wallets for seamless UX

- No repeated KYC flows across TDBN

Verified members unlock access to:

- Access DeFi tools gated by DID
- Trade bitcoin with zero fees on Metal X
- Participate in governance with verified credentials
- Get 24/7 human support via Metal Pay and WebAuth

What is next for Metal Identity?

- Portable identity across all Metallicus Products

- Attestation of customer attributes such as membership in a particular CU or group

- Multiple attestation sources sharing KYC verification

- Risk signals shared on-chain instantaneously

- Voting governance for CU members with verified identity

$ Metal Dollar

What we have built so far.

- Live today on XPR Network

- Current basket includes USDC (Circle), PYUSD (PayPal), and USDP (Paxos)

- Smart contracts handle minting, redemption, and basket management, governed by Metal DAO (MTL holders)

- Redeemable at any time for original constituent stablecoins

- Primary stablecoin pair for fast, low-cost trading on Metal X (i.e. XMD / XBTC)

- Integrated into WebAuth and Metal Pay for payments, trading, and on-ramping

What is next for Metal Dollar?

- Launching on Metal Blockchain and Metal L2

- Governance-driven expansion of the basket via Metal DAO

- Institution-issued stablecoin pilot in testing, built on the same architecture

- Improved tooling for institutional issuance, monitoring, and integration

Metal X

What we have built so far.

- Live today on XPR Network

- Supports trading of: BTC, ETH, USDC, XPR, METAL, MTL, XMD, LOAN, SOL, XRP, DOGE

- Execute market orders, limit orders, and spot trades

- Borrow and lend crypto using smart contracts

- Access liquidity pools and participate in yield farming

- Stream payments over time between on-chain accounts

- On-ramp directly from Metal Pay into Metal X — no third parties

- Mint and redeem Metal Dollar (XMD) via smart contracts

What is next for Metal X?

- Support for more chains, beginning with Metal L2

- Additional asset listings, evaluated for liquidity and compliance

- UI and UX improvements across trading views and workflows

- Metal X inside WebAuth Wallet for a native, seamless trading experience

What we have built so far.

- Live Layer 1 blockchain — 0.5 second block times, >4,000 transactions per second, and 100% uptime since launch

- Smart contracts in C++, TypeScript (WASM), and WebAssembly — low-barrier for real builders

- Fully on-chain DEX, with spot, limit, and market orders, and AMM swap

- DeFi tools deployed: lending, borrowing, liquidity pools, staking, and yield farming

- No gas fees for standard transactions — optimized resource model (CPU/NET)

- @name system live — human-readable wallet identities

- DAO governance tools active — on-chain voting and upgrade proposals

- Supports the full Metal product stack — from Metal Pay to WebAuth to Metal X

What is next for XPR Network?

- A-Chain Upgrade — bringing XPR Network protocol to Metal Blockchain as our first proprietary chain

- Biometric key recovery for self-custody wallets

- Updated onboarding flow for an even simpler UX

- xToken expansion — more assets moving on-chain for gasless, instant use

- Updated Developer tooling — faster environments, improved SDKs, and smart contract templates

Metal L2

The launch and ongoing development of Metal L2.

Apr 2024: Metal DAO voted to deploy as Layer 2 on Superchain with Mainnet Launch

Jul 2024: Metal Pay Fiat Onramp adds support for Metal L2

Dec 2024: Metal X DEX Proposal (Passed)

Jan 2025: Velodrome deployed on Metal L2 – 5th chain to be integrated

Feb 2025: Account Abstraction layer deployed by Biconomy

Mar 2025: Thirdweb Suite deployed on Metal L2 via proposal

Mar 2025: API3 Deploy Oracles on Metal L2

May 2025: Ionic Money Protocol deployed on Metal L2 – 4th chain to be integrated

May 2025: RLUSD proposal to add to Metal Dollar basket passed, going live

May 2025: openUSDT Deployed on Metal L2 with support from Hyperlane

May 2025: Simply Staking Integrated Metal L2

May 2025: Chainlink Deploy CCIP on Metal L2

May 2025: Metal Dollar XMD deployed on Testnet, coming to mainnet

Jun 2025: OKU Trade going live on Metal L2

Jun 2025: xTokens Coming to Metal L2

What is next for Metal L2?

- Metal Dollar $XMD launching on Mainnet
- Metallicus xTokens launching on Mainnet
- Metal X launching on Mainnet
- Metal Identity launching on Mainnet
- Tokenized RWA baskets governed by MTL
- Credit Union and Bank stablecoins (will be proposed for vote into XMD basket)

PR & Media Update

A lot of crypto companies spend obscene amounts on marketing, ads, sponsorships, influencer deals. That's never really been our style. We prefer to allocate resources toward building the best technology we can. And once it is live, tested, and provable, then we talk about it.

We have built our PR approach the same way we build product: intentionally. No paid placements. No media buys. Just meaningful, long-form PR strategy that focuses on earned attention and high-level conversations.

We are proud of how we show up, and it is working.

Recent highlights include:

- Irina Berkon featured on Nasdaq TradeTalks, live from Consensus and in-studio in New York, speaking to regulation, custody, and infrastructure
- Congressman Byron Donalds and Congressman Zach Nunn in livestream conversations with Marshall Hayner on blockchain policy and innovation
- Multiple features in American Banker, highlighting the compliance-first infrastructure we have built
- Livestream collaborations with CoinDesk, focused on real topics: payments, governance, identity

We are lucky to work with a great PR agency that helps us craft and place these conversations, and we have got more on the way. New livestreams with policymakers. More editorial. And some special announcements later this year.

We also attend major blockchain, Web3, and credit union conferences across the globe. If you are there, you'll probably find someone from the Metallicus team, we like being in the room.

If you'd like to feature Marshall Hayner, Irina Berkon, or another member of the Metallicus team, please reach out at press@metallicus.com.

And if there's a podcast, media outlet, or conversation you think we should be part of, we are all ears.

We are hiring.

Metallicus is a fully remote company, with team members across the U.S., Europe, New Zealand, and all over the world. From our home base in San Francisco to a crew of surfer-engineers in Southern California, we are a global, decentralized team with natural time zone coverage that keeps us moving forward around the clock.

Most of our core development happens in U.S. time zones, so we have a preference for candidates who can collaborate during those hours. But wherever you are, what matters most is that you believe in what we are building, and want to be part of it.

We are a focused team that moves quickly and cares deeply about the mission. We meet up at conferences. We meet up when we travel. And we stay connected every day, across product launches, problem-solving sessions, and the small wins that make a great team.

We have been fortunate to welcome new team members from some of the most respected names in traditional finance and Web3, people who are aligned with our values and ready to help shape what comes next.
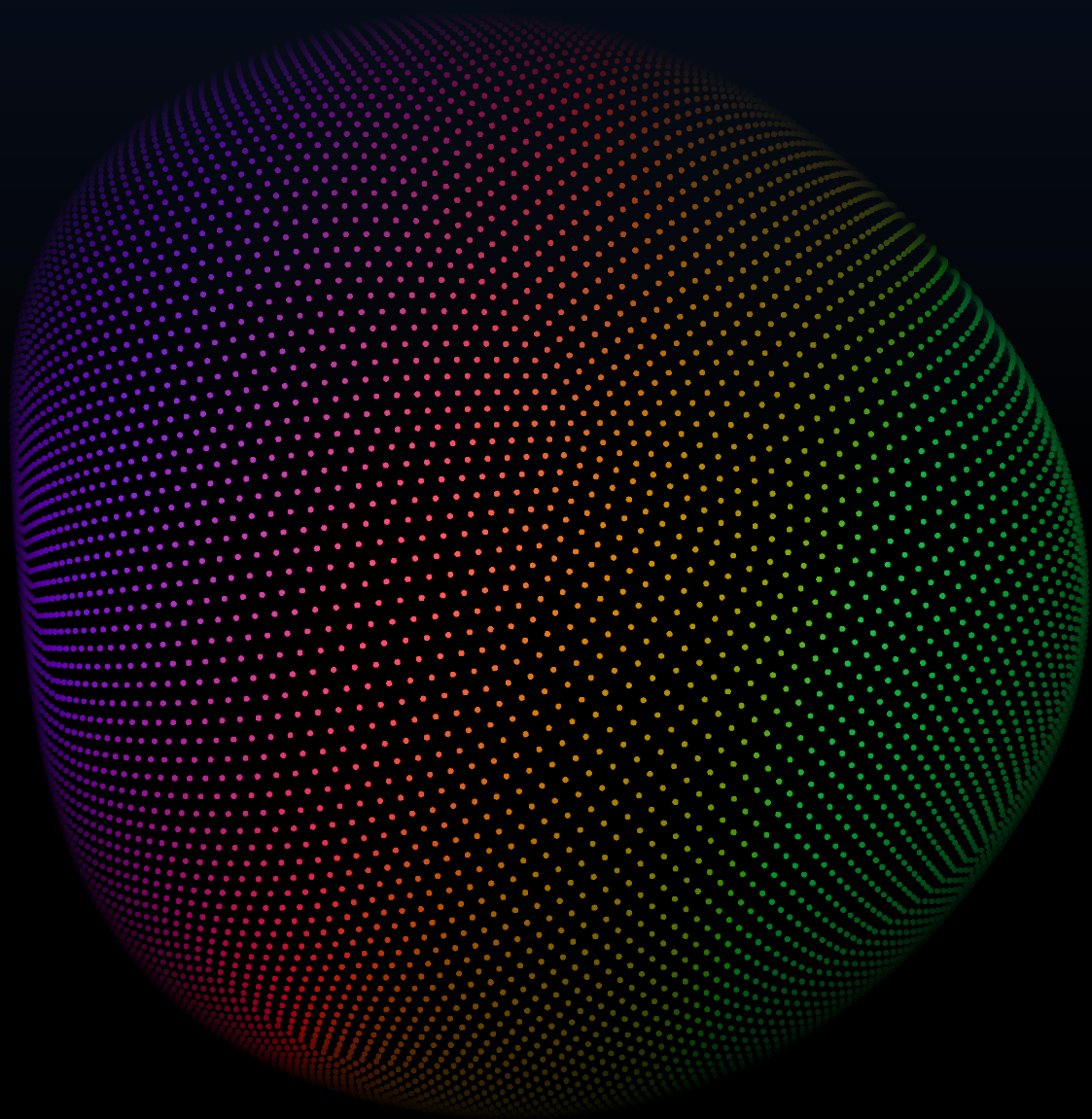
And we are hiring.

Right now, we are looking for:

- **Senior Blockchain Protocol Engineer**
- **Site Reliability Engineer**

Both roles are fully remote.

If this sounds like your kind of team, we would love to hear from you.

metallicus.com