

INFORMATION ABOUT THE ISSUER AND DESIGNERS

Ripple (XRP) is a decentralised cryptocurrency that operates on the XRP Ledger (XRPL), an open-source distributed ledger. XRP was created in 2012 by Jed McCaleb, Arthur Britto, and David Schwartz, who launched the XRP Ledger with its native currency XRP. The XRPL architects gifted 80 billion XRP to Ripple Inc., a technology company that builds solutions using XRPL, XRP, and other digital assets. Ripple Inc. was co-founded by Chris Larsen and focuses on facilitating cross-border payments and financial services for institutions worldwide.

ESSENTIAL CHARACTERISTICS OF THE CRYPTO TOKEN

XRP is the native cryptocurrency of the XRP Ledger, designed specifically for fast and cost-effective cross-border transactions. Key characteristics include:

Total Supply: XRP has a fixed maximum supply of 100 billion tokens, all of which were pre-mined at the network's launch in 2012. Approximately 57 billion XRP are currently in circulation.

Transaction Speed: XRP transactions settle in 3-5 seconds, significantly faster than Bitcoin's 10-minute block time or traditional banking systems that can take 48 hours for international transfers.

Low Fees: Transaction fees on the XRP Ledger cost approximately \$0.0002 per transaction on average. Notably, XRP used to pay transaction fees is permanently burned and removed from circulation.

Scalability: The XRP Ledger can process up to 1,500 transactions per second, compared to Bitcoin's approximately 7 transactions per second.

Consensus Mechanism: XRP uses the Ripple Protocol Consensus Algorithm (RPCA), a unique consensus mechanism that does not rely on mining or staking. Instead, it uses a network of trusted validators to reach consensus.

REGULATORY STATUS IN OTHER JURISDICTIONS

The regulatory status of XRP varies significantly across jurisdictions. In the United States, XRP has been the subject of extensive litigation with the Securities and Exchange Commission (SEC).

In other jurisdictions, XRP's regulatory status is generally clearer. In many countries, XRP is treated as a digital commodity rather than a security, though regulatory frameworks continue to evolve globally.

DETAILS OF PERSONS RESPONSIBLE FOR PERFORMING OBLIGATIONS AND WHERE RIGHTS MAY BE EXERCISED

As a decentralised cryptocurrency operating on the XRP Ledger, there is no central authority responsible for performing obligations associated with XRP. However, users can transact with each other directly on the XRP network and exercise their rights to send and receive payments. The XRP Ledger is maintained by a network of independent validators who reach consensus on transaction validity.

INFORMATION ON THE UNDERLYING DLT OR SIMILAR TECHNOLOGY

XRP operates on the XRP Ledger, which uses a distributed ledger technology with a similar data structure to blockchain. The ledger records all transactions in successive blocks, with each block containing the hash of the previous block. However, unlike Bitcoin or Ethereum, the XRP Ledger uses the Ripple Protocol Consensus Algorithm rather than proof-of-work or proof-of-stake. This consensus mechanism relies on a network of trusted validators from the Unique Node List (UNL) to validate transactions and maintain network integrity.

INFORMATION ON THE UNDERLYING TECHNOLOGY USED BY THE AUTHORISED FIRM (IG LIMITED)

Authorised firms that offer XRP services typically use secure and reliable technologies to store and manage customer assets. These technologies include cold storage, multi-signature wallets and advanced encryption algorithms. Firms may also adhere to industry standards such as the Payment Card Industry Data Security Standard (PCI DSS) and the ISO 27001 information security management standard. IG allows its clients to buy or sell XRP CFDs and, as a result, its clients do not take ownership of the underlying asset. IG does not store or manage XRP on behalf of its clients.

DETAILS ABOUT HOW OWNERSHIP OF THE CRYPTO TOKEN IS ESTABLISHED, CERTIFIED OR OTHERWISE EVIDENCED

Ownership of XRP is established through private keys that are used to access the user's wallet and sign transactions. These private keys are generated by the user and stored securely on their device or with a custodian. XRP ownership is not certified or otherwise evidenced by any central authority or government, but is instead recorded immutably on the XRP Ledger. However, when trading with IG, you will be trading CFDs and therefore there is no physical ownership by the client.

HOW THE CRYPTO TOKEN IS VALUED AND WHAT BENCHMARKS, INDICES OR THIRD PARTIES ARE RELIED ON

The value of XRP is determined by supply and demand on various exchanges and trading platforms. There is no central authority or benchmark that sets the price of XRP. Instead, the market determines the value based on the number of buyers and sellers, the perceived utility of XRP for cross-border payments, and overall market sentiment. IG's CFD is priced from a weighted average of multiple liquidity providers.

DETAILS OF ANY REGULATED EXCHANGE, MTF OR OTHER FACILITY ON WHICH THE CRYPTO TOKEN IS TRADED

XRP is traded on various exchanges and trading platforms around the world, including both centralised and decentralised exchanges. Some of the most popular exchanges for trading XRP include Binance, Coinbase, Kraken, and Bitfinex.

XRP is also available as derived futures contracts on regulated exchanges such as the Chicago Mercantile Exchange (CME). Several countries have established regulatory frameworks for cryptocurrency exchanges and trading platforms where XRP can be traded.

RISK OF VOLATILITY AND UNPREDICTABILITY

The value of crypto tokens like XRP can be extremely volatile and subject to significant fluctuations in price, which can be caused by a variety of factors including market demand and supply, geopolitical events, regulatory developments, and changes in government regulations. The value of XRP can fluctuate rapidly and unpredictably, and there is no guarantee that the value of the crypto token will remain stable or increase.

FIAT CRYPTO TOKEN RESERVES, STABILISATION AND REDEMPTION

XRP does not have any fiat or cryptocurrency token reserves for stabilisation and redemption. Unlike stablecoins, which are typically backed by fiat currency or other assets, XRP is a volatile cryptocurrency that is not pegged to any specific asset or currency.

The value of XRP is determined by supply and demand on cryptocurrency exchanges, and its price can fluctuate rapidly in response to market conditions and other factors. However, XRP does have a controlled release mechanism through Ripple's escrow system, which releases up to 1 billion XRP per month from escrow, though not all released tokens are sold into the market.

CYBERSECURITY RISKS

Crypto tokens, like XRP, are vulnerable to cyber-attacks that can result in the loss or theft of the tokens. Cybersecurity risks associated with the underlying technology used for the crypto token, such as the XRP Ledger, should be carefully considered. There may be risks associated with the storage, transfer and use of crypto tokens, and measures should be taken to mitigate these risks. Since IG offers a CFD, the client is not exposed to these risks.

RISKS OF FRAUD, HACKING AND FINANCIAL CRIME

There are significant risks of fraud, hacking and financial crime associated with crypto tokens, such as XRP. Fraudulent schemes and scams that involve crypto tokens have become increasingly common and it is important to be aware of these risks when investing in or using crypto tokens. It is also important to consider the risks associated with the use of crypto tokens in illicit activities, such as money laundering and terrorist financing. Since IG offers a CFD, the client is not exposed to these risks.

OTHER RELEVANT INFORMATION

There may be other factors that are relevant to understanding and assessing the risks associated with XRP. For example, it may be important to understand Ripple Inc.'s significant holdings of XRP (approximately 40.9 billion XRP held by Ripple as of June 2025, with 36.2 billion subject to on-ledger escrow), the ongoing legal and regulatory developments affecting XRP, and the cryptocurrency's specific focus on institutional cross-border payment solutions. It is important to conduct thorough research and due diligence before investing in or using XRP and to seek professional advice if necessary.