

**3iQ XRP ETF**

**Interim Financial Statements**

**June 30, 2026 (Unaudited)**

**NOTICE TO UNITHOLDERS**

**The Auditors of the Fund have not reviewed these interim financial statements.**

3iQ Corp., the Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's interim financial statements, this must be disclosed in an accompanying notice.

## **3iQ XRP ETF**

### **Interim Financial Statements**

**June 30, 2026 (Unaudited)**

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# 3iQ XRP ETF

## Statement of Financial Position (Unaudited)

(Expressed in United States dollars)

|                                                                        | June 30, 2026        | December 31, 2025    |
|------------------------------------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                                                          |                      |                      |
| <b>Current assets</b>                                                  |                      |                      |
| Cash                                                                   | \$ 50,774            | \$ 68,663            |
| Receivable from digital assets sold                                    | —                    | 618,945              |
| Digital assets at fair value (Note 5)                                  | 54,618,929           | 97,537,679           |
|                                                                        | <u>54,669,703</u>    | <u>98,225,287</u>    |
| <b>LIABILITIES</b>                                                     |                      |                      |
| <b>Current liabilities</b>                                             |                      |                      |
| Accounts payable and accrued liabilities                               | 24,054               | 39,955               |
| Management fees payable (Note 6)                                       | 28,383               | 25,188               |
| Redemptions payable                                                    | —                    | 618,658              |
|                                                                        | <u>52,437</u>        | <u>683,801</u>       |
| <b>Net assets attributable to holders of redeemable units</b>          | <u>\$ 54,617,266</u> | <u>\$ 97,541,486</u> |
| <b>Number of redeemable units outstanding</b>                          | 11,625,000           | 11,825,000           |
| <b>Net assets attributable to holders of redeemable units per unit</b> | \$ 4.70              | \$ 8.25              |

### 3iQ XRP ETF

#### Statement of Comprehensive Income (Loss) For the six month periods ended June 30 (Unaudited)

(Expressed in United States dollars)

|                                                                                                    | 2026                   | 2025                |
|----------------------------------------------------------------------------------------------------|------------------------|---------------------|
| <b>Income</b>                                                                                      |                        |                     |
| Net realized gains (losses) on sale of digital assets                                              | \$ (7,628,248)         | \$ —                |
| Net change in unrealized appreciation (depreciation) in fair value of digital assets               | (31,860,031)           | 2,340,085           |
|                                                                                                    | <u>(39,488,279)</u>    | <u>2,340,085</u>    |
| <b>Expenses (Note 10)</b>                                                                          |                        |                     |
| Management fees (Note 6)                                                                           | 243,494                | 3,228               |
| Operating costs                                                                                    | 82,224                 | 2,384               |
| Audit fees                                                                                         | 36,105                 | 18,045              |
| Custodian fees                                                                                     | 47,731                 | 1,197               |
| Administration fees                                                                                | 31,932                 | —                   |
| Unitholder reporting costs                                                                         | 17,372                 | —                   |
| Independent review committee fees and expenses                                                     | 2,870                  | —                   |
| Legal fees                                                                                         | —                      | —                   |
| Expenses before amounts absorbed by Manager                                                        | <u>461,728</u>         | <u>24,854</u>       |
| Expenses absorbed by Manager (Note 6)                                                              | <u>66,479</u>          | <u>18,486</u>       |
| Net Expenses                                                                                       | <u>395,249</u>         | <u>6,368</u>        |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>           | <u>\$ (39,883,528)</u> | <u>\$ 2,333,717</u> |
| <b>Weighted average of the number of redeemable units outstanding during the period</b>            | 11,081,630             | 1,616,818           |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units per unit*</b> | <u>\$ (3.60)</u>       | <u>\$ 1.44</u>      |

\* Based on the weighted average number of units outstanding during the period.

## 3iQ XRP ETF

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Units For the six month periods ended June 30 (Unaudited)

(Expressed in United States dollars)

|                                                                               | 2026                 | 2025                 |
|-------------------------------------------------------------------------------|----------------------|----------------------|
| Net assets attributable to holders of redeemable units, January 1             | \$ 97,541,486        | \$ —                 |
| Increase (decrease) in net assets attributable to holders of redeemable units | (39,883,528)         | 2,333,717            |
| Proceeds from redeemable units issued                                         | 13,566,870           | 34,204,677           |
| Payments for units redeemed                                                   | (16,607,562)         | (150,000)            |
| Net assets attributable to holders of redeemable units, June 30               | <u>\$ 54,617,266</u> | <u>\$ 36,388,394</u> |

# 3iQ XRP ETF

## Statement of Cash Flows

### For the six month periods ended June 30 (Unaudited)

(Expressed in United States dollars)

|                                                                                      | 2026             | 2025            |
|--------------------------------------------------------------------------------------|------------------|-----------------|
| <b>Cash provided by (used in):</b>                                                   |                  |                 |
| <b>Operating Activities</b>                                                          |                  |                 |
| Net income (loss) and comprehensive income (loss)                                    | \$ (39,883,528)  | \$ 2,333,717    |
| Adjustments for non-cash items                                                       |                  |                 |
| Net realized gains (losses) on sale of digital assets                                | 7,628,248        | —               |
| Net change in unrealized (appreciation) depreciation in fair value of digital assets | 31,860,031       | (2,340,085)     |
| Change in non-cash balances                                                          |                  |                 |
| Increase (decrease) in accounts payable and accrued liabilities                      | (15,901)         | 6,367           |
| Increase (decrease) in management fees payable                                       | 3,195            | —               |
| Purchase of digital assets                                                           | (13,278,101)     | (33,529,616)    |
| Proceeds from sale of digital assets                                                 | 17,327,517       | —               |
| Cash provided by operating activities                                                | 3,641,461        | (33,529,617)    |
| <b>Financing Activities</b>                                                          |                  |                 |
| Proceeds from redeemable units issued                                                | 13,566,870       | 33,684,840      |
| Redemption of redeemable units                                                       | (17,226,220)     | (150,000)       |
| Cash provided (used) by financing activities                                         | (3,659,350)      | 33,534,840      |
| Increase (decrease) in cash during the period                                        | (17,889)         | 5,223           |
| Cash, beginning of period                                                            | 68,663           | —               |
| <b>Cash, end of period</b>                                                           | <b>\$ 50,774</b> | <b>\$ 5,223</b> |

## 3iQ XRP ETF

### Schedule of Investment Portfolio As at June 30, 2026 (Unaudited)

(Expressed in United States dollars)

2026

| Quantity   | Digital Assets owned                                              | Average<br>cost       | Fair<br>value        | % of net<br>asset value |
|------------|-------------------------------------------------------------------|-----------------------|----------------------|-------------------------|
| 52,458,176 | XRP                                                               | \$ 124,499,887        | \$ 54,618,929        | 100.00                  |
|            | <b>Net investments owned</b>                                      | <b>\$ 124,499,887</b> | 54,618,929           | 100.00                  |
|            | <b>Other assets, net</b>                                          |                       | (1,663)              | 0.00                    |
|            | <b>Net Assets Attributable to Holders of<br/>Redeemable Units</b> |                       | <b>\$ 54,617,266</b> | <b>100.00</b>           |

# 3iQ XRP ETF

## Notes to the Interim Financial Statements

For the six month periods ended June 30, 2026 and 2025

(Expressed in United States Dollars)

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### 1. Fund Organization and Nature of Operations:

3iQ XRP ETF (the “Fund”), is an exchange traded investment fund established as a trust which was created under the laws of the Province of Ontario pursuant to a Declaration of Trust dated June 10, 2025 as may be amended from time to time (the “Declaration of Trust”). The address of the Fund’s registered office is 2700 – 161 Bay Street, Toronto, ON M5J 2S1. The Fund commenced active operations on June 18, 2025. The units of the Fund are listed on the Toronto Stock Exchange (“TSX”) (equity symbols: XRPQ and XRPQ.U).

3iQ Corp. is the trustee, manager, portfolio manager and promoter of the Fund (the “Trustee” and “Manager”). Monex Group Inc. (“Monex”, TYO: 8698), a Japanese financial services public company, had a majority stake in 3iQ Digital Holdings Inc. (“3iQ”), the parent company of the Manager until February 27, 2026. From February 28, 2026, Coincheck Group N.V. acquired a majority stake in 3iQ Digital Holdings Inc. (“3iQ”), the parent company of the Manager.

The Manager is responsible for the management and administration of the Fund, including managing and directing the investments of the Fund. The Fund uses Tetra Trust Company as the custodian and Coinbase Custody Trust Company, LLC as the sub-custodian to oversee the retention, security and transfer of digital assets for the Fund (the “Custodian” and “Sub-Custodian”). The Custodian and Sub-Custodian are independent of the Manager. The Manager’s authorized staff are responsible for coordinating and executing transfers of digital assets between the source of the digital assets, primarily OTC brokers and trading platforms, and the custodial platform in use for the Fund. CIBC Mellon Trust Company is the administrator (“Administrator”) of the Fund.

The investment objective of the Fund is to provide unitholders of the Fund with exposure to the digital asset XRP (“XRP”) and the daily price movements of the United States dollar price of XRP and the opportunity for long-term capital appreciation. To achieve its investment objectives, the Fund has invested in holdings of XRP, purchased from reputable XRP trading platforms and OTC counterparties, in order to provide investors with a convenient, safer alternative to a direct investment in XRP.

### 2. Basis of Presentation:

#### Basis of accounting

These unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”), including IAS 34 - “Interim Financial Reporting”.

These financial statements were approved and authorized for issuance by the board of directors of the Manager on August 19, 2026.

#### Functional and presentation currency

These financial statements are presented in United States dollars, which is the Fund’s functional currency.

### 3. Material Accounting Policy Information:

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

#### (a) Digital assets

Digital assets are an open-source software-based online payment system where payments are recorded in a public ledger using its own unit of account. The Fund holds digital assets generating profit based on the

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## Notes to the Interim Financial Statements

For the six month periods ended June 30, 2026 and 2025

(Expressed in United States Dollars)

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### 3. Material Accounting Policy Information (Continued):

long-term appreciation in the price of XRP. The cost basis of the investments in the digital assets recorded by the Fund is the fair value of the digital assets at the time of purchase. The Fund measures digital assets inventory at its fair value less costs to sell, with any change in fair value less costs to sell being recognized in profit or loss in the period of the change on an average cost basis under the caption Net change in unrealized appreciation (depreciation) in fair value of digital assets. Costs to sell digital assets inventory are immaterial and no allowance is made for such costs.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Digital assets inventory is derecognized when the Fund disposes of the inventory. Net realized gains or losses on sale are determined on an average cost basis and are recognized in profit or loss. Inventory shrinkage arising from denial of access to the economic benefits associated with ownership of digital assets inventory is recognized as an expense in profit or loss on identification.

Digital assets inventory for further discussion of the Fund's accounting policy in respect of digital assets inventory valuation and the judgment made in determining that such inventory is carried as a commodity (Note 4).

#### (b) Financial instruments

##### Recognition

Financial assets and financial liabilities are recognized on the Statements of Financial Position when the Fund becomes a party to the contractual provisions of the instrument. The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs (where applicable).

##### Classification

The Fund classifies its financial assets, cash, at amortized cost. The Fund classifies its financial liabilities, accounts payable and accrued liabilities and management fees payable, at amortized cost. The Fund reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

##### Impairment of financial assets

Financial assets measured at amortized cost must be depreciated by the amount of expected credit losses. Given the very short maturity of these financial assets and the financial strength of the counterparties involved, the Manager believes that the risk of loss is very low. For this reason, no impairment was recorded for financial assets measured at amortized cost.

##### Derecognition

A financial asset is derecognized when either the Fund has transferred substantially all the risks and rewards of the asset, or the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

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## Notes to the Interim Financial Statements

For the six month periods ended June 30, 2026 and 2025

(Expressed in United States Dollars)

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### 3. Material Accounting Policy Information (Continued):

#### (c) Fair value

The Fund primarily applies the market approach for recurring fair value measurements. Three levels of inputs may be used to measure fair value:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included in Level 1 that are observable or can be corroborated by observable market data

Level 3 – unobservable inputs that are supported by no market activity

#### (d) Net assets attributable to holders of redeemable units, per unit

The net assets attributable to holders of redeemable units, per unit is calculated by dividing the net assets attributable to holders of redeemable units by the total number of units outstanding at the end of the period.

#### (e) Net increase (decrease) in net assets attributable to holders of redeemable units per unit

The Net increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is based on the Net increase (decrease) in net assets attributable to holders of redeemable units from operations divided by the weighted average number of units outstanding during the period.

#### (f) Foreign currency translation

The Fund's digital assets may be traded in foreign markets. The proceeds of the sale of those digital assets will be realized in the respective currency. Foreign currency positions are subject to gains and losses due to fluctuations in the respective exchange rates. Foreign currency and purchases of digital assets as well as sales of digital assets are translated into the reporting currency at the rate of exchange prevailing at the date of the transaction. Foreign exchange gains and losses on sales of digital assets are included in the Statements of Comprehensive Income (Loss). Unrealized foreign exchange gains and losses on digital assets are included in Net change in unrealized appreciation (depreciation) in fair value of digital assets in the Statements of Comprehensive Income (Loss).

#### (g) Income tax

Under the Income Tax Act (Canada), the Fund is defined as a mutual fund trust. All of the Fund's net taxable income for tax purposes (including a sufficient portion of the net realized capital gains) in any year must be distributed to holders of redeemable units to ensure no income tax is payable by the Fund.

The tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. For income tax reporting purposes as at December 31, 2025, the Fund had total capital losses carried forward of \$572,797, which may be carried forward indefinitely, and total non-capital losses carried forward of \$0, which may be carried forward twenty years from their year of incursion. These figures have been computed based on the tax year ended December 15, 2025.

#### (h) Accounting standards issued but not yet effective

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18, "Presentation and Disclosure in the Financial Statements" which aims to improve the quality of financial reporting by introducing new requirements which include new required categories and subtotals in the Statement of Comprehensive Income (Loss) and enhanced guidance on grouping of information. IFRS 18 replaces IAS 1, "Presentation of

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### 3. Material Accounting Policy Information (Continued):

#### (h) Accounting standards issued but not yet effective (Continued):

Financial Statements". This standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The Manager is currently assessing the impact of these new requirements.

### 4. Critical Accounting Estimates and Significant Judgments:

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The following are significant management judgments on applying policies of the Fund that have the most significant effects on the financial statements.

#### Functional currency

The Manager considers the United States dollar to be the functional currency in which the Fund operates, because it is the currency in which, in its opinion, most faithfully represents the economic effects of the underlying transactions, events and conditions of the Fund. Moreover, the United States dollar is the currency in which the Fund assesses its performance. The Fund issues and redeems its units in United States dollars.

#### Units classification

The units of the Fund are classified as financial liabilities in accordance with IAS 32, Financial Instruments Presentation (IAS 32), and are measured at the redemption amount, which approximates fair value as of the reporting date.

#### Investment entity

The Manager of the Fund evaluated the facts and circumstances to determine whether the Fund meets the definition of an investment entity under IFRS 10 Consolidated Financial Statements.

The Manager concluded that the Fund has more than one investor, the other investors are not related and evaluates their digital assets holdings at their fair value each reporting period. The Manager determined that the Fund does meet the definition of an investment entity, but notes that the Fund does not hold investments that would result in consolidation.

#### Digital assets inventory

The Manager considers that the Fund's digital assets are a commodity and the Fund as a commodity broker- trader. The Fund actively trades such assets with the intention of generating a profit from fluctuations in the price or traders' margin, therefore, subsequent to initial recognition, digital assets inventory is held at fair value less costs to sell, in accordance with IAS 2 – Inventories (IAS 2). Gains and losses arising from change in fair value of digital assets are shown in the Statement of Comprehensive Income (Loss) as 'Net change in unrealized appreciation (depreciation) in fair value of digital assets' and 'Net realized gains (losses) on sale of digital assets when positions are closed out, where applicable, by subtracting the average cost of digital assets from their fair value. Costs to sell digital assets inventory are immaterial and no allowance is made for such costs.

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## Notes to the Interim Financial Statements

For the six month periods ended June 30, 2026 and 2025

(Expressed in United States Dollars)

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### 4. Critical Accounting Estimates and Significant Judgments (Continued):

The Fund's activities include buying and selling digital assets and, therefore, subsequent to initial recognition, digital assets inventory is held at fair value less costs to sell, reflecting the Fund's purpose of holding such digital assets inventory as a commodity in accordance with IAS 2 Inventories. Costs to sell digital assets inventory are immaterial and no allowance is made for such costs. Changes in the amount of digital assets inventory based on fair value are included in profit or loss for the period.

The topic of digital assets and the accounting for digital assets continues to be considered by the International Accounting Standards Board and the Manager continues to monitor new comments and interpretations released by International Accounting Standards Board and other standard setters from around the world.

#### Estimation uncertainties

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

#### Fair value of digital assets

Digital assets consist of XRP (see Note 5 for fair value measurement) and are included in current assets.

### 5. Fair Value Measurement:

The digital assets that are held by the Fund are carried at fair value using Level 2 fair value measurements.

The value of XRP in the Fund's portfolio is based on CME CF XRP-Dollar Reference Rate – New York Variant ("XRPUSD\_NY") maintained by CF Benchmarks. The XRPUSD\_NY measures the performance of a digital assets portfolio which invests in XRP, utilizing prices from selected exchanges. The closing value is calculated at 4:00 pm eastern standard time.

The estimated fair values of cash, accounts payable and accrued liabilities and management fees payable approximate their respective carrying values due to the short period to maturity.

### 6. Related Party Transactions:

#### Management fees

The Manager of the Fund is responsible for managing and directing the undertaking, operations and affairs of the Fund, including managing and directing the investments. The Fund pays an annual management fee to the Manager amounting to 0.59% of the Fund's net asset value calculated daily and payable monthly, plus applicable taxes, in respect of each of the units of the Fund.

The Manager waived management fees from June 18, 2025, to December 17, 2025. Management fees were reinstated on December 18, 2025. Management fees payable to the Manager are disclosed under the caption Management fees payable in the Statements of Financial Position.

# 3iQ XRP ETF

## Notes to the Interim Financial Statements

For the six month periods ended June 30, 2026 and 2025

(Expressed in United States Dollars)

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### 6. Related Party Transactions (Continued):

#### Expenses absorbed by the Manager

In its discretion, the Manager may pay certain of the expenses of the Fund out of its own monies but any such payments shall not oblige the Manager to make similar payments in the future, and the Manager's payment of such expenses may be discontinued at any time without notice to unitholders.

The expenses absorbed by the Manager are disclosed under the caption Expenses absorbed by Manager in the Statements of Comprehensive Income (Loss).

### 7. Redeemable Units:

The Fund is authorized to issue an unlimited number of redeemable units. Each redeemable unit entitles the holder to the same rights and privileges in relation to any other unitholder, subject to the terms and conditions of the declaration of trust.

The redeemable units of the Fund are available to all investors.

#### Redeemable Unit Transactions

Redeemable unit transactions were as follows:

|                                                      | 2026        | 2025      |
|------------------------------------------------------|-------------|-----------|
| Units outstanding, beginning of period               | 11,825,000  | —         |
| Redeemable units issued                              | 1,925,000   | 3,515,000 |
| Units redeemed                                       | (2,125,000) | (15,000)  |
| Units outstanding, end of period                     | 11,625,000  | 3,500,000 |
| Weighted average units outstanding during the period | 11,081,630  | 1,616,818 |

#### Redemption of units

Unitholders may redeem units of the Fund for cash at a redemption price per unit equal to the lesser of 95% of: (i) the closing market price for the units on the TSX on the effective day of the redemption and (ii) the net asset value per unit.

A trading day for the Fund is each day on which: (i) a regular session of the TSX is held; and (ii) the primary market or exchange for the majority of the assets of the Fund is open for trading ("Trading Day").

In order for a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by the Manager from time to time must be delivered to the Fund at its registered office by 9:00 a.m. (eastern standard time) on the Trading Day (or such later time on such Trading Day as the Manager may permit).

If a cash redemption request is not received by the delivery deadlines noted immediately above on a Trading Day, the cash redemption request will be effective only on the next Trading Day.

#### Exchange of units

On any Trading Day, unitholders may exchange the Prescribed Number of Units ("PNU") for cash, or if agreed to by the Manager, for cash and/or portfolio assets held by the Fund.

# 3iQ XRP ETF

## Notes to the Interim Financial Statements

For the six month periods ended June 30, 2026 and 2025

(Expressed in United States Dollars)

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### 7. Redeemable Units (Continued):

To effect an exchange of the PNU, a unitholder must submit an exchange request in the form prescribed by the Manager from time to time to the Fund at its registered office by 9:00 a.m. (eastern standard time) on a Trading Day (or such later time on such Trading Day as the Manager may permit). The exchange price will be equal to the net asset value of the units on the effective day of the exchange request, payable by delivery of cash or, if applicable, assets.

If an exchange request is not received by the submission deadline noted immediately above on a Trading Day, the exchange order will be effective only on the next Trading Day.

The Manager may suspend the redemption of units or payment of redemption proceeds of the Fund (i) under certain trading conditions and (ii) with the prior permission of the securities regulatory authorities, for any period not exceeding 30 days during which the Manager determines that conditions exist that render impractical the sale of assets of the Fund or that impair the ability of the Fund Administrator to determine the value of the assets of the Fund. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension.

### Distributions

The Fund does not intend to pay distributions to unitholders, other than the distribution of net income at period end, as described below.

On an annual basis, the Fund will ensure that its income and net realized capital gains, if any, have been distributed to unitholders to such an extent that the Fund will not be liable for ordinary income tax thereon. To the extent that the Fund has not distributed the full amount of its net income or capital gains in any period, the difference between such amount and the amount actually distributed by the Fund will be paid as a “reinvested distribution”.

In addition to the distributions described above, the Fund may from time to time pay additional distributions on its units, including without restriction in connection with a special distribution or in connection with returns of capital.

### 8. Capital Disclosure:

The capital of the Fund is represented by issued and redeemable units. The redeemable units are entitled to distributions, if any, and to the payment of a proportionate share based on the Fund's net asset value per unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units.

In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 9, the Fund endeavors to invest the subscriptions received in XRP while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of digital assets where necessary.

# 3iQ XRP ETF

## Notes to the Interim Financial Statements

For the six month periods ended June 30, 2026 and 2025

(Expressed in United States Dollars)

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### 9. Digital Asset Risk:

#### Management of digital asset risks

The Fund is subject to various risks including market risk, liquidity risk, and other risks related to its concentration in a single asset, namely XRP. Investing in XRP is highly speculative and volatile. The investment objective of the Fund is to track the market price of XRP, less the Fund's liabilities and expenses, by investing the assets of the Fund in XRP. As XRP prices rise or fall, the Fund should achieve those gains or suffer those losses. However, there can be no assurance that the Fund matches the gains in XRP. The Fund does not employ leverage as part of its investment strategy.

To the extent that private keys for XRP addresses are lost, destroyed or otherwise compromised and no backup of the private keys are accessible, the Fund may be unable to access the XRP held in the associated address and the XRP network will not be capable of restoring the private keys. The risk of losing private keys is mitigated by the services provided by the Sub-Custodian to maintain the safety of the private keys.

The processes by which XRP transactions are settled are dependent on the XRP peer-to-peer network and, as such, the Fund is subject to operational risk. A risk also exists with respect to previously unknown technical vulnerabilities, which may adversely affect the value of XRP.

#### Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. Currently, the Fund has its investment highly concentrated in a single asset, XRP, which is the mandate of the Fund.

#### The Custodian and Sub-Custodian

The Custodian, and the Sub-Custodian, oversee the retention, security and transfer of XRPs for the Fund. The Custodian and Sub-Custodian are responsible for (i) establishing and maintaining one or more digital wallets and one or more cold storage vault accounts, which are specialized digital wallets for which private keys are maintained on computers or other devices that are not connected to the Internet or any other computer network, (ii) keeping the private keys that provide access to the digital wallets and vault accounts secure, and (iii) facilitating the transfer of XRPs in accordance with the Manager's instructions.

#### Insurance risk

Neither the Fund nor the Custodian maintains insurance against risk of loss of digital assets held by the Fund.

The Sub-Custodian holds most of the digital assets that it custodies offline in cold storage. Digital assets held in cold storage are protected by the Sub-Custodian's security measures. Digital assets may also be temporarily held online in a "hot wallet" at the Sub-Custodian.

Coinbase Global, Inc., the parent company of the Sub-Custodian, maintains commercial crime insurance that is available to cover losses of customer digital assets custodied in hot wallets.

#### Cyber security risk

XRPs are controllable only by the possessor of both the unique public key and private key relating to the digital wallet in which the XRPs are held. While the XRP Network requires a public key relating to a digital wallet to be published when used in a spending transaction, if keys are lost or destroyed, this could prevent trading of the XRP.

# 3iQ XRP ETF

## Notes to the Interim Financial Statements

For the six month periods ended June 30, 2026 and 2025

(Expressed in United States Dollars)

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### 9. Digital Asset Risk (Continued):

Security breaches, computer malware and computer hacking attacks and bankruptcies have been a prevalent concern in the XRP exchange market since the launch of the XRP Network. Any security breach caused by hacking could cause loss of XRP investments.

As the use of technology has become more prevalent in the course of business, investment funds have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information or other information subject to privacy laws, suffer data corruption, or lose operational capacity. This in turn could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss.

#### XRP Network risk

The open-source structure of the XRP Network protocol means that the core developers of the XRP Network and other contributors are generally not directly compensated for their contributions in maintaining and developing the XRP Network protocol. A failure to properly monitor and upgrade the XRP Network protocol could damage the XRP Network.

#### Digital asset volatility price risk

The price of digital assets is volatile and fluctuations are expected to have a direct impact on the net assets of the Fund. However, movements in the price of digital assets in the past may not be a reliable indicator of future movements. Movements may be influenced by various factors including supply and demand, geopolitical uncertainties, macroeconomic concerns such as inflation and speculative investor interest.

If the value of the Fund has increased or decreased by 10% on June 30, 2026, with all other variables held constant, the net assets attributable to securityholders of the Fund would have increased or decreased by approximately \$5,461,893 (December 31, 2025 – \$9,753,768).

#### Cryptocurrency risk

Cryptocurrency operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. Cryptocurrency operates without the oversight of a central authority or the banks and is not backed by any government. Even indirectly, cryptocurrencies may experience high volatility and related investment vehicles may be affected by such volatility. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware which could have an adverse impact on the net assets of the Fund.

### 10. Expenses:

In addition to the management fees, the Fund will pay all of its own expenses and all administration expenses incurred by the Manager for its duties as the manager to the Fund. Such fees and expenses to be borne by the Fund may include, without limitation: fees and expenses payable to the independent review committee of the Fund; brokerage and trading commissions and other fees and expenses associated with the execution of transactions in respect of the Fund's investment in XRP; fees payable to the registrar and transfer agent; fees payable to any custodians and/or sub-custodians for the assets of the Fund as well as the fees of the Fund Administrator and other service providers; licensing fee payable to CF Benchmarks to license the

## 3iQ XRP ETF

### Notes to the Interim Financial Statements

For the six month periods ended June 30, 2026 and 2025

(Expressed in United States Dollars)

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#### 10. Expenses (Continued):

XRPUSD\_NY; expenses relating to the monitoring of the relationships with the Custodian and Sub-Custodian and other organizations serving the Fund; legal, audit, and valuation fees and expenses; fees payable for listings, the maintenance of listings and filings or other requirements of stock exchanges on which any of the units of the Fund may become listed or quoted; the preparation and supervision costs relating to the calculation and publication of the net asset value; costs and expenses of preparing, printing, and mailing financial and other reports to unitholders, material for unitholders' meetings and securities regulatory filings; costs and expenses of communication with unitholders; costs and expenses arising as a result of complying with all applicable securities legislation and other applicable laws, regulations and policies; all taxes (including income, capital, federal GST or HST, and provincial/territorial sales taxes); and costs associated with the provision of such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Fund. The Manager may, from time to time, in its sole discretion, pay a portion of any ongoing expenses of the Fund which would otherwise be payable by the Fund.