

# EXHIBIT H

Crypto Means Business

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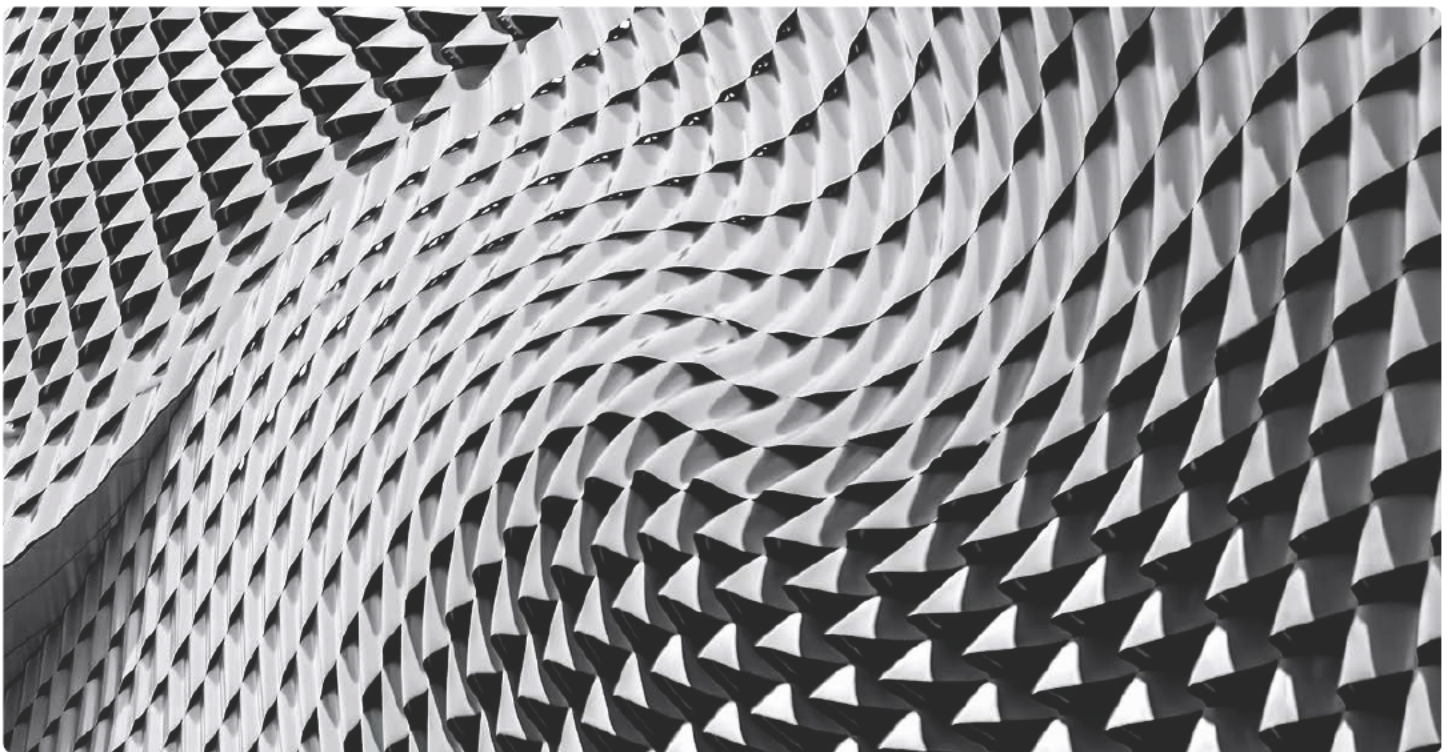
## Insights

## Q3 2021 XRP Markets Report

Team Ripple

OCT 29, 2021

XRP



Ripple publishes the quarterly XRP Markets Report to voluntarily provide transparency and regular updates on the company's views on the state of crypto markets such as quarterly sales updates, relevant XRP related announcements and commentary on market developments over the previous quarter.

As an XRP holder, Ripple believes proactive communication and transparency are part of being a responsible stakeholder. Moreover, Ripple urges others in the industry to build trust, foster open communication and raise the bar, industry-wide.

## Crypto Market Summary

In Q3, the NFT mania continued as more players entered the space. ETH was the primary beneficiary of the craze with most of the NFT minting and trading happening on or via platforms integrated with Ethereum. OpenSea became a key NFT venue with daily volumes exceeding over \$100M regularly. Projects like [CryptoPunks](#) and [Bored Ape Yacht Club](#) saw incredible demand, leading to multiple auctions at Sotheby's. Activity started moving onto the Solana blockchain in the middle of the quarter with the launch of [Sol Punks](#), a Crypto Punks copy. While the majority of activity remains on the Ethereum blockchain, other chains are beginning to chip away at market share given the high gas fees. At the start of the year, [ETH accounted for 97% of total value locked \(TVL\) locked on all chains](#) – by the end of Q3, that number dropped to 69%. Despite the [London Hard Fork](#), gas fees in Q3 on Ethereum still averaged \$17.81 per transaction. The XRP Ledger (XRPL) also saw a number of projects launch, including [xPunks](#), [Aesthetes](#) and [Bored Apes Club XRPL](#), taking advantage of its low transaction costs and high scalability.

Q3 was also marked by the rise of the so-called “ETH killers,” such as Avalanche, Solana and Terra, as well as layer-2 solutions like Polygon, which saw their native tokens hit new all time highs. To encourage development, many launched \$100M+ funds to incentivize activity on their blockchains.

Lastly, the third quarter of 2021 saw digital asset prices bottom out, as China's crypto crackdown reached a crescendo. Bitcoin's hashrate decline found a bottom in early July and began rising throughout the quarter as miners restarted operations in places such as [Kazakhstan](#) and the U.S. By the end of the quarter, the hashrate was up over 60% since its lows, correlating with the rise in BTC price.

## Regulatory Oversight Heats Up

Increasing regulatory scrutiny was another big theme this quarter. SEC Chair Gary Gensler's public comments continued to hammer home that, in his view, the crypto industry can best be described as “the Wild West.” He also opined that crypto is trying to stay outside the regulatory regime, and that there is regulatory clarity for crypto markets. However, many have pushed back – including other SEC Commissioners, elected representatives and market participants – that the rules of the road are still unclear as the agency continues to move forward with a policy of regulation through enforcement. In addition, stablecoins remained in the spotlight, attracting attention from regulators over the lack of transparency regarding reserves and explosive market cap growth.

### *Update on the SEC Lawsuit against Ripple*

Last quarter, Ripple hit a milestone with the conclusion of the fact discovery phase on August 31 – the formal process of exchanging information, including exchanging documents and taking testimony, relevant to the case. The case is currently in the expert discovery phase, where each side exchanges expert reports opining on various aspects of the case. In response to an extension request by the SEC, the Court has ordered expert discovery to conclude by mid-January 2022. While the legal process may feel slow, Ripple has sought, and will continue to seek, to [expedite the case as quickly](#) as possible.

## Unprecedented On-Demand Liquidity (ODL) Growth

Ripple saw [significant growth and traction of ODL](#), which leverages XRP to eliminate pre-funding, reduce operational costs and unlock capital from a diverse cross-section of global customers for its best quarter on record. Legacy customers, like SBI Remit, who were once using RippleNet for fiat-only payments, switched on ODL to eliminate the need for pre-funded accounts. Customers have also adopted ODL for treasury payments – as crypto liquidity has improved and the market has continued to mature, the product is primed to support the larger volume payments that are desirable for customers looking to manage their internal treasury operations.

Transaction volume (measured in dollars) over RippleNet has more than doubled since last year and ODL transactions are up 130% quarter over quarter. In Q3, ODL transactions accounted for ~25% of total volume. All XRP sales this quarter are attributed to the growth and adoption of ODL.

ODL customers can send XRP for cross border payments through third parties like exchanges, or directly through a crypto wallet. By leveraging their wallet to source XRP on demand through Ripple, friction is reduced in the payment flow, providing an overall enhanced customer experience. ODL customers can now send to over 20 countries around the world for their payment needs.

#### Disciplined, Responsible Stakeholders: Q3 Sales and Purchases

Last quarter, total XRP sales by Ripple, net of purchases, were \$491.74M vs. \$157.92M USD the previous quarter. Ripple continued to engage in sales to improve the ODL experience of certain customers, eliminating the need for pre funding at exchanges and enabling instant global payments. As is the case since Q4 2019, Ripple did not conduct programmatic sales this quarter.

Total sales by Ripple, net of purchases, ended the quarter at 26 bps or 0.26% of global XRP volume according to CryptoCompare TopTier (CCTT) volumes.

Sales Summary ( <i>dollars in millions</i> )	Q2 2021	Q3 2021
Total ODL related sales*	157.92	491.74
Total purchases	0.0	0.0
Sales ( <i>net of purchases</i> )	157.92	491.74
Global XRP volume	Q2 2021	Q3 2021
ADV XRP ( <i>dollars in millions</i> )	4,492.16	2,075.89
Total XRP volume ( <i>dollars in billions</i> )**	408.80	189.53
Net sales as % of total volume	0.04%	0.26%

\*All ODL-related sales are attributed to the growth and adoption of ODL

\*\*Note: Figures were compiled using the CryptoCompare API for daily TopTier aggregate volumes which reflects total XRP volume in dollars by exchanges that CryptoCompare lists in the TopTier.

Lastly, in September 2021, Ripple [officially](#) made its final transfer of XRP to Jed McCaleb.

#### Leases

Certain wallets that are being used for XRP sales also provide short-term leases to market makers. This is worth noting given they are often incorrectly interpreted by market participants as sales. Leases are ultimately returned to Ripple. Total leases outstanding in Q3 2021 were 48.3M XRP.

#### Reported Volume

Q3 was a weaker than average quarter for volume across most digital assets including XRP. XRP's average daily volume declined by more than 50% this quarter, while ETH and BTC's volumes declined by ~33% as measured by CCTT. Altcoins such as BCH and LTC saw volumes decline by more than 65% quarter over quarter. Only ETH competitors such as AVAX, LUNA and SOL saw their volumes increase quarter over quarter as they reached new all-time highs.

### XRP Price and Volume



### Escrow

In Q3 2021, three billion XRP were released out of escrow (one billion each month) in line with prior quarters and the official escrow arrangement. In total, 2.6 billion XRP were returned and subsequently put into new escrow contracts throughout the quarter. For more information on the escrow process, see [here](#). Note: All figures are reported based on transactions executed during the quarter.

### XRP Market Infrastructure Update

XRP expanded its footprint of derivatives infrastructure in Q3. AAX, an institutional exchange based in Hong Kong, [launched a new XRP perpetual in July](#), and Bitfinex [followed suit in early September](#). Separately, [ByBit integrated a new XRP pair](#). Furthermore, Huobi [started](#) to offer a new XRP yield product in July, allowing XRP holders to earn interest on their holdings.

### XRP in DeFi

The XRP Ledger's built-in decentralized exchange (DEX) was the first-ever DeFi application. Today, there are a number of third-party initiatives expanding the use of the DEX – for example, non-custodial wallets like [XUMM](#) and trading platforms such as [Sologenic](#) and [GateHub](#) allow users to interact with the XRP Ledger's DEX directly.

XRP is currently available on other chains and DeFi platforms. One existing project, [Kava.io](#), which has a TVL of almost \$400M, allows users to swap, borrow and lend XRPB ([wrapped XRP on Binance Chain BEP2](#)). Other highly anticipated DeFi projects utilizing XRP are being built on the Flare Network which launched [its test network, Songbird, in September](#). One of these projects is [Flare.Finance](#), an institutional grade DeFi platform.



As many in crypto build toward a multi-chain future, there are also a number of initiatives looking to bring XRP directly onto the Ethereum network in the coming months. This will allow developers to build bridges between networks with complementary use cases while leveraging the benefits of the XRP Ledger.

## Fueling a Tokenized Future

### *RippleX's Big NFT Move: Creator Fund*

In September, Ripple debuted its [\\$250M Creator Fund](#) which provides support for creators, brands and marketplaces to explore new use cases for non-fungible tokens (NFTs) on the XRP Ledger, leveraging its innate advantages of speed, cost and sustainability. The fund provides the financial, creative and technical support needed for creators to engage and eventually deliver new NFT use cases. Ripple has teamed up with NFT marketplaces and creative agencies that will integrate with the XRP Ledger to deliver a seamless NFT experience for developers, and help creators and brand clients create their NFTs.

### *Ripple Inks CBDC Partnership*

Ripple announced a partnership in September with the [Royal Monetary Authority of Bhutan](#) to pilot a Central Bank Digital Currency (CBDC) using Ripple's CBDC solution. This move is driven by the nation's desire to enhance digital and cross-border payments, expand financial inclusion efforts and extend its commitment to sustainability as the only carbon-negative country in the world.

## Building with the XRP Ledger Developer Community

### *XRP Ledger On-Chain Activity Recorded Strong Numbers*

Last quarter, there were a total of 88.8M transactions on the XRP Ledger with \$69.3B transacted via 74.5 billion XRP in volume. As developers continue to build on the XRP Ledger, there are [hundreds](#) of projects addressing different use cases including:

- XRPhone allows users to pay merchants using XRP
- Nebeus provides crypto-backed loans services, wallet functionality, and payment transfers
- NFT Riddler enables users to place bids on NFTs using XRP

### *Federated Sidechains*

In September, RippleX released a [developer preview](#) for Federated Sidechains, which allow developers to build their own sidechains while leveraging the benefits and functionality of the public XRP Ledger. With Federated Sidechains, developers can add new features to the XRP Ledger protocol, develop new use cases – such as smart contracts and DeFi capabilities – and launch them in production without waiting for Mainnet acceptance. Last quarter, Ripple co-hosted [Apex](#): the XRPL Developer Summit along with the XRP Ledger Foundation, where David Schwartz announced RippleX's commitment to building an Ethereum Virtual Machine (EVM) sidechain, enabling a compatibility layer for Ethereum-based smart contracts on the XRP Ledger network.

Over the next few months, developers can look forward to the following Federated Sidechain milestones:

- **November 2021:** RippleX to propose implementing Federated Sidechains to the XRP Ledger Mainnet in the XRP Ledger v1.8 release.
- **H1 2022:** RippleX to introduce developer tooling to easily create, launch and test Federated Sidechains and track cross-chain transactions.

### *XRPL Grants Program*

Last quarter, as part of the [XRPL Grants](#) program, the first wave of [grantees](#) were awarded nearly \$2 million in total value from more than 10 countries around the world. Sponsored by RippleX and supported by others in the community, such as XRPL Labs, the program supports the independent XRP Ledger developer community, building projects of all types on the XRP Ledger, to further the Internet of Value. The first two waves of grants seek to inspire use cases related to NFTs, tokenization and federated sidechains.

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