
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 1-U

CURRENT REPORT PURSUANT TO REGULATION A

May 11, 2022

(Date of Report (Date of earliest event reported))

Exodus Movement, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

81-3548560

(IRS Employer Identification No.)

15418 Weir St. #333

Omaha, NE

(Address of principal executive offices)

(833) 992-2566

(Registrant's telephone number, including area code)

Class A Common Stock

(Title of each class of securities issued pursuant to Regulation A)

Item 9. Other Events

Press Release

On May 11, 2022, Exodus Movement, Inc. (the “**Company**”) issued a press release to provide an update on the results of operations for the quarter ended March 31, 2022. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

For further details on our financial results for the three months ended March 31, 2022 and 2021, respectively, please see our quarterly report which we have filed in a Form 1-U on May 10, 2022 (the “**Quarterly Report**”).

Safe Harbor and Forward-Looking Statements

The information furnished in Form 1-U is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section, and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

This communication contains forward-looking statements that are based on our beliefs and assumptions and on information currently available to us. In some cases, you can identify forward-looking statements by the following words: “will,” “expect,” “would,” “intend,” “believe,” or other comparable terminology. Forward-looking statements in this document include, but are not limited to, statements about our future financial performance, our business plan, our market opportunities and beliefs and objectives for future operations. These statements involve risks, uncertainties, assumptions and other factors that may cause actual results or performance to be materially different, including inflation, volatility in the United States and global financial and crypto markets and other volatility attributable to the COVID-19 pandemic and the conflict in Ukraine. More information on the factors, risks and uncertainties that could cause or contribute to such differences is included in our filings with the Securities and Exchange Commission, including in the “Risk Factors” section of our offering statement on Form 1-A and the “Management’s Discussion and Analysis of Financial Condition and Result of Operations” section of our Quarterly Report. We cannot assure you that the forward-looking statements will prove to be accurate. These forward-looking statements speak only as of the date hereof. We disclaim any obligation to update these forward-looking statements.

Exhibit Number	Description
99.1	Press release dated May 11, 2022

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EXODUS MOVEMENT, INC.

By: /s/ Jon Paul Richardson
Name: Jon Paul Richardson
Title: Chief Executive Officer

Date: May 11, 2022



11 May 2022

Exodus Reports First Quarter 2022 Results

Exodus Browser Extension Launching May 17 to Capture Fast-Growing Web3 Market

OMAHA, Neb. **Exodus Movement, Inc.** (tZERO: EXOD, Securitize Markets: EXOD), (“the Company” or “Exodus”) the leading non-custodial cryptocurrency software platform, today announced its fiscal 2022 results for the first quarter ended March 31, 2022. The Company reported first quarter revenue of \$15.4 million, a decrease of 35% year-over-year from Q1 2021, in line with market trends.

First Quarter 2022 Financial Highlights

<i>In USD millions, except percentages</i>	Q1 2022	Q1 2021	% Change
Revenue	\$ 15.4	\$ 23.6	(35%)
Total Cost of Revenues	7.2	3.6	100%
Operating Expenses	8.9	4.4	102%
Income from Operations¹	(0.7)	15.6	(105%)
Operating Margin	(5%)	66%	
Net Income (loss)	\$ (7.2)	\$ (46.4)²	
Adjusted EBITDA³	\$ (0.6)	\$ 15.8	

“Our business is well-positioned to weather volatility in today’s crypto market,” said JP Richardson, CEO and co-founder of Exodus. “First quarter 2022 performance was consistent with our closest peers and the market downturn. We recorded total revenue of \$15.4 million, down 35% from Q1 of last year. That said, we ended the quarter with over \$120 million in liquid assets. In all operating environments, we are customer-focused and relentless when it comes to delivering new products that help people exit traditional finance.”

¹ Income from operations is before D&A/Impairments and adjusted for investment income.

² Restated value

³ Non-GAAP metric. For a reconciliation of Net Income to Adjusted EBITDA, please refer to the reconciliation table at the end of this press release.

“The upcoming launch of our new brand embodies the next evolution of Exodus. We believe self-custody and Web3 is the future, and Exodus is the leading self-custodial platform that will give customers access to Web3 via our multi-chain browser extension. We expect the release of other exciting products, including additional on-ramps and NFT enhancements, to complement the browser extension launching on May 17. Exodus is well-positioned to be the go-to app for all things Web3 by the end of 2022.”

First Quarter Operational and Other Financial Highlights

- **Exchange provider processed volume** - \$730 million in Q1 2022, down 49% from \$1.4 billion in Q1 2021. Bitcoin and Ethereum continue to be the top assets traded at 22% and 14% of volume, respectively in Q1 2022.
- **Exodus monthly active users⁴** - MAUs grew to 875,275 as of quarter end, up 11% from the 786,561 MAUs on March 31, 2021.
- **Adjusted EBITDA⁵** - (\$0.6) million in Q1 2022, down from \$15.8 million in Q1 2021.
- **Digital assets and cash⁶** - \$123.3 million, including \$59.2 million in bitcoin and \$51.9 million in USD and USDC as of March 31, 2022.
- **Full-time equivalent employees** - approximately 270 at Q1 2022, an increase of approximately 130 from Q1 2021.
- **Customer response time** - average response time of less than ten minutes.

“We are in a strong financial position with a sizable war chest and no debt,” said James Gernetzke, CFO of Exodus. “Our financial strength, along with a mature leadership team that has experienced multiple market cycles means that we are uniquely able to remain focused on continuing to build the business. While we are taking a closer look at spending, we are not slowing the delivery of new products that are expected to engage and grow our customer base. We continue to believe in a future where our customers achieve financial sovereignty, powered by Exodus.”

Live Webcast Details

Exodus will host a live webcast of its first quarter 2022 fiscal results beginning at 3:30PM (Eastern Time) on May 11, 2022. To access the live webcast, [please use this link](#). It will also be carried live on the Company’s website www.exodus.com.

Questions for Exodus Management related to the first quarter can be submitted via e-mail at investors@exodus.com in advance of the live webcast.

⁴ Monthly active users as of March 31, 2022.

⁵ Non-GAAP metric. See footnotes at the end of this release.

⁶ Digital assets at Market Value as of March 31, 2022.

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About Exodus

Exodus is on a mission to help the world exit the traditional finance system by 2030. Founded in 2015, Exodus is a multi-asset software wallet that removes the geek requirement and keeps design a priority to make cryptocurrency and digital assets easy for everyone. Available for desktop and mobile, Exodus allows users to secure, manage and exchange cryptocurrencies like Bitcoin, Ethereum, and more across an industry-leading 10,000+ asset pairs from a beautiful, easy-to-use wallet. The non-custodial functionality is encrypted locally on users' own devices, ensuring privacy, security and complete control over their wealth. For more info visit exodus.com.

Disclosure Information

Exodus uses the following as means of disclosing material nonpublic information and for complying with disclosure obligations under Regulation FD: websites exodus.com/investors and exodus.com/blog; press releases; public videos, calls and webcasts; and social media: Twitter (@[exodus_io](https://twitter.com/exodus_io) and JP Richardson's feed @[jprichardson](https://twitter.com/jprichardson)), Facebook, LinkedIn, and YouTube.

Non-GAAP Financial Measure

Earnings before interest, taxes and depreciation and amortization and Adjusted earnings before interest, taxes and depreciation and amortization

In addition to our results determined in accordance with U.S. generally accepted accounting principles (GAAP), we believe Adjusted EBITDA, a non-GAAP measure, is useful in evaluating our operating performance. We use Adjusted EBITDA to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Adjusted EBITDA may be helpful to investors because it provides consistency and comparability with past financial performance. However, Adjusted EBITDA is presented for supplemental informational purposes only, has limitations as an analytical tool, and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate similarly titled non-GAAP measures, including Adjusted EBITDA, differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

A reconciliation of Adjusted EBITDA to net income can be found below in the table captioned “Reconciliation of Net Income to Adjusted EBITDA.” Investors are encouraged to review the related GAAP financial measures and the reconciliation of Adjusted EBITDA to its most directly comparable GAAP financial measure, and not to rely on any single financial measure to evaluate our business. We calculate Adjusted EBITDA as net income, adjusted to exclude provision for or benefit from income taxes, depreciation and amortization, interest (income) expense, stock based compensation expense, impairment, investment income, fair value gain or loss on derivatives, non-recurring legal reserves and related costs, and other loss, net.

The Company believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board of Directors. Management’s determination of the components of Adjusted EBITDA are evaluated periodically and based, in part, on a review of non-GAAP financial measures used by industry analysts. Net income attributable to Exodus stockholders is reconciled to EBITDA and Adjusted EBITDA as follows:

Reconciliation of Net Income to Adjusted EBITDA

<i>In USD millions</i>	1Q22		1Q21	
Net (loss) income	\$	(7.2)	\$	(46.4) ⁷
Interest (income) expense		(0.1)		(0.1)
Income tax (benefit) expense		(1.6)		2.4
Depreciation and amortization		0.4		0.8
EBITDA	\$	(8.5)	\$	(43.3)
Loss on Extinguishment of SAFEs		-		61.0 ⁸
Gain / (Loss) on digital assets		(1.2)		(3.8)
Impairment of digital assets		7.6		1.7
Stock based compensation		1.5		0.2
Adjusted EBITDA	\$	(0.6)	\$	15.8

⁷ Restated Value

⁸ Restated Value

Forward-Looking Statements

This communication contains forward-looking statements that are based on our beliefs and assumptions and on information currently available to us as of the date hereof. In some cases, you can identify forward-looking statements by the following words: “will,” “expect,” “would,” “intend,” “believe,” or other comparable terminology. Forward-looking statements in this document include, but are not limited to, quotations from management regarding confidence in our products, services, business trajectory and plans, certain business metrics, including anticipated revenues and net income for the year and, in particular, up to the second quarter of 2022, and the timing, means and amount of anticipated stock repurchases. These statements involve risks, uncertainties, assumptions and other factors that are difficult to predict and may cause actual results or performance to be materially and adversely different.

Factors that might cause such a difference include, but are not limited to:

- the impact of the COVID-19 pandemic on the health and safety of our employees, users, as well as the physical and economic impacts of the various recommendations, orders, and protocols issued by local and national governmental agencies in light of continual evolution of the pandemic, including any periodic reimplementation of preventative measures in various global locations;
- the ongoing conflict in Ukraine, the impact of sanctions or other restrictive actions, by the United States and other countries, and the potential response by Russia thereto;
- difficulties predicting user behavior and changes in user spending habits as a result of, among other things, prevailing economic conditions, levels of employment, salaries and wages, inflation and consumer confidence, particularly in light of the pandemic and as pandemic-related restrictions are eased regionally and globally;
- unexpected or rapid changes in the growth or decline of our domestic and/or international markets;
- increasing competition from existing and new competitors;
- rapidly evolving and groundbreaking advances that fundamentally alter the digital asset and cryptocurrency industry;
- continued compliance with regulatory requirements;
- volatility in the price of cryptocurrencies, such as Bitcoin, and other digital assets;

- the possibility that the development and release of new products or enhancements to existing products do not proceed in accordance with the anticipated timeline or may themselves contain bugs or errors requiring remediation and that the market for the sale of these new or enhanced products may not develop as expected;
- the risks relating to our ability to sustain or increase profitability or revenue growth in future periods (or minimize declines) while controlling expenses;
- the compromise of user data for any reason;
- foreign operational, political and other risks relating to our operations; and
- the loss of key personnel, labor shortages or work stoppages.

More information on the factors, risks and uncertainties that could cause or contribute to such differences is included in our filings with the Securities and Exchange Commission, including in the “Risk Factors” and “Management’s Discussion & Analysis” sections of our offering statement on Form 1-A. We cannot assure you that the forward-looking statements will prove to be accurate. These forward-looking statements speak only as of the date hereof. We disclaim any obligation to update these forward-looking statements.