

*As filed with the United States Securities and Exchange Commission on February 28, 2024.*

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

**FORM 10**

**GENERAL FORM FOR REGISTRATION OF SECURITIES  
Pursuant to Section 12(b) or (g) of The Securities Exchange Act of 1934  
Exodus Movement, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**81-3548560**

(I.R.S. Employer Identification No.)

**Not Applicable<sup>(1)</sup>**

(Address of principal executive offices, including zip code)

**(833) 992-2566**

Registrant's telephone number, including area code

Securities to be registered pursuant to Section 12(b) of the Act: None.

Securities to be registered pursuant to Section 12(g) of the Act: Class A Common Stock, par value \$0.000001 per share.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

<sup>(1)</sup> We are a remote-first company. Accordingly, we do not maintain a headquarters. For purposes of compliance with applicable requirements of the Securities Act of 1933, as amended, and Securities Exchange Act of 1934, as amended, communications may be directed to 15418 Weir Street #333 Omaha, NE 68137.

EXODUS MOVEMENT, INC.

INFORMATION REQUIRED IN REGISTRATION STATEMENT

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**Explanatory Note**

Exodus Movement, Inc. is filing this General Form for Registration of Securities on Form 10 (“this Report”) to register our Class A common stock, par value \$0.000001 per share (the “Class A Common Stock”), pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Once this registration statement is deemed effective, which is expected to be 60 days following the filing thereof, we will be subject to the requirements of Regulation 13(a) under the Exchange Act and will be required to file annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, and we will be required to comply with all other obligations of the Exchange Act applicable to issuers filing registration statements pursuant to Section 12(g) of the Exchange Act.

We are an “emerging growth company” under the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”) and as defined in Section 2(a) of the Securities Act of 1933, as amended (the “Securities Act”). We are also a “smaller reporting company” as defined in Exchange Act Rule 12b-2. As such, we may elect to comply with certain reduced public company reporting requirements in future reports that we file with the Securities and Exchange Commission (the “SEC”).

Unless the context requires otherwise, in this Report, the terms “we,” “us,” “our,” the “Company,” “Exodus” and the “Registrant” refer to Exodus Movement, Inc., and its wholly owned subsidiaries, Proper Trust AG, 3ZERO, LLC and OSMIUM, LLC. Our company operates completely virtually. Our primary telephone number is +1 (833) 992-2566. Our principal internet website address is [www.exodus.com](http://www.exodus.com). The information on our website is not incorporated by reference into, or a part of, this Report.

### Cautionary Note on Forward-Looking Statements

This Report contains “forward-looking statements,” as that term is defined by the federal securities laws. All forward-looking statements are based upon our current expectations and various assumptions and apply only as of the date of this Report. Our expectations, beliefs, and projections are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that our expectations, beliefs and projections will be achieved. Forward-looking statements are generally identified by the words “may,” “will,” “could,” “would,” “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue,” “ongoing,” “forecast,” as well as variations of such words or similar expressions. Forward-looking statements include statements concerning:

- our business plans and strategy;
- projected profitability, performance or cash flows;
- future capital expenditures;
- our growth strategy, including our ability to grow organically and through mergers and acquisitions (“M&A”);
- anticipated financing needs;
- business trends;
- our capital allocation strategy;
- liquidity and capital management; and
- other information that is not historical information.

There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from those suggested by our forward-looking statements, including those set forth in “Item 1. Business” and “Item 1A. Risk Factors” of this Report. All forward-looking statements are expressly qualified in their entirety by such cautionary statements. We undertake no obligation to update or revise any forward-looking statements that have been made to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

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### **Item 1. Business**

#### **Our Company**

We launched Exodus in 2015 to create a wallet for users to securely control, manage, and grow their wealth. Exodus' mission is to help its wallet users ("users") exit the traditional finance system through an un-hosted self-custodial platform (the "Exodus Platform") that connects them to the world of decentralized finance and the power of blockchain. On desktop and mobile devices alike, Exodus delivers a simple, elegant, and intuitive experience while supporting over 21,000 digital assets, as well as integrations with a number of third-party digital asset exchanges and third-party applications. Exodus prioritizes ease of use and aims to provide unparalleled user support.

Our platform is intended to provide the trustworthiness of a bank's online portal without service windows and clunky interfaces and the speed of centralized digital asset exchanges without the risk of third-party custody. We aim to provide our users with the best of both worlds in Exodus.

#### **Our Industry**

We operate in the Financial Technology ("FinTech") subsector of the greater blockchain and digital asset industry. The following are descriptions of key technologies used in our industry:

**Blockchain Technology**—Blockchain technology utilizes an open, distributed ledger managed by a peer-to-peer network to record transactions between parties linked to the blockchain. The Bitcoin blockchain, and other blockchains such as those of Ethereum and Litecoin, can be thought of as public record books of digital asset transactions. These record books are "decentralized" in that they are stored on multiple computers around the world.

For example, the Ethereum Blockchain is a distributed public blockchain network focused on running the programming code of decentralized applications. These decentralized applications use self-executing contracts, also known as smart contracts, to seamlessly facilitate activities on the Ethereum Blockchain. The smart contracts on the Ethereum Blockchain are powered by Ether, the Ethereum Blockchain's native digital asset, which is also traded as a cryptocurrency.

Accessing multiple blockchains and decentralized applications typically requires downloading complicated software specific to each blockchain and requires configuration decisions executed by technically skilled specialists. Methods of storing and leveraging digital assets are fragmented across multiple platforms compared to a traditional single hub. As a result, blockchain technology has a reputation of being difficult to access and use, and the current options for managing digital assets do not provide integrated or seamless solutions.

**Digital Assets**—Digital assets include assets that are digitally represented on the blockchain such as tokens, non-fungible tokens ("NFTs") and cryptocurrencies.

**Cryptocurrency**—A cryptocurrency is a digital asset that exists on a particular blockchain and can be moved from one party to another party on that blockchain. On the Exodus Platform, cryptocurrency is held directly by its owners and is immediately transferable, subject to applicable jurisdictional law.

There are five primary categories of cryptocurrency:

- Store of value or "payment" cryptocurrencies are primarily used to pay for goods and services and are often considered a substitute for gold, cash or forms of electronic payment. Merchants have begun to accept these types of cryptocurrencies as payment, although the cryptocurrency is often converted to a fiat currency, such as the U.S. dollar, immediately upon acceptance by the merchant. Examples of store of value and payment cryptocurrencies are Bitcoin and Litecoin;
- Cryptocurrencies that comprise part of a blockchain economy or blockchain platform typically have more functionality than a payment currency. Blockchain economies or platforms permit the use of the cryptocurrency to create other digital assets or tokens, run decentralized applications on the blockchain platform and build various types of functionality and features on the blockchain platform. Examples of cryptocurrencies that are part of blockchain economies include Ether, EOS and TRON;
- Privacy coins are cryptocurrencies created to focus on privacy and security. Privacy coin transaction details are typically encrypted, so that only the sender and receiver of the coins knows how many coins were involved in the transaction. In addition, the balance of a privacy coin wallet is known only to the owner of the wallet and cannot be viewed on the public blockchain record. An example of a privacy coin is Monero;

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- Utility tokens are digital tokens run on a blockchain platform that are used solely to “pay for” or “power” products or services on that specific platform. Examples of utility tokens include Golem and Basic Attention Token; and
- Stablecoins are cryptocurrencies whose value is connected to an asset that will not significantly fluctuate in value. Different stablecoins have adopted different methods of stabilization. Examples of stablecoins are U.S. Dollar Coin (“USDC”), Tether, and DAI.

Each cryptocurrency is stored on a particular blockchain. The blockchain used by each cryptocurrency keeps a record of the blockchain address and the amount of cryptocurrency held at a particular address. A private key is required to access the cryptocurrency held at any single address.

**Private and Public Keys**—A private key will allow its holder to access digital assets located at a particular blockchain address. If the holder of the assets loses or shares a private key, their assets are at risk. Public keys identify a particular blockchain address, but do not enable that address to be unlocked. Instead, public keys act like a mailing address. If you want to receive a digital asset, you must provide the other party with a blockchain address from a public key.

**Key Management Solutions: Custodial vs. Self-Custodial**—The person or entity that holds the private key for a public wallet address controls the assets stored in that wallet. Private key management solutions generally fall into two broad categories: custodial and self-custodial key management.

Within a custodial key management structure, a company or platform generates the private keys for their users’ wallets and administers any and all funds sent to the addresses tied to those private keys. Custodial key management solutions become custodians of their users’ funds and in that respect are extremely similar to centralized banks.

Self-custodial key management is a solution in which a person or entity generates and secures their own private keys, using software or other means, and administers all funds that are sent to the address tied to those private keys. Self-custodial key management solutions are not custodians of funds in their users’ wallet, but are merely repositories for the funds, similar to the way a physical safe or leather wallet provides a means for people to secure their own wealth. Users are solely responsible for securing the digital assets and the associated cryptographic key information and protecting them from loss, theft or other misuse.

While the majority of people use custodial key management solutions, we believe that custodial key management solutions serve merely as a temporary bridge between traditional institutionalized financial systems and the financial freedom offered by complete self-custodial control over one’s digital assets.

**Blockchain-based Financial Technology**—Although the traditional banking system does offer protection against theft through devices such as Federal Deposit Insurance Corporation (“FDIC”) insurance in the United States, banks are always answerable to governments who retain the ability to freeze or take control of a customer’s bank assets.

Self-custodial holding of digital assets offers consumers a payment option that does not rely on the traditional banking system. We believe that as more people begin to hold digital assets they will look for new ways to interact with their digital assets. Digital assets have significant advantages over traditional fiat currency, particularly when used on self-custodial platforms. Unlike fiat currency held in traditional banks, digital assets on self-custodial platforms are designed to be available without limited operating hours, restrictions on when markets open and close or bank holidays. Digital assets can also be transferred in real time, often with no or low fees, as the underlying technology is designed to avoid lengthy settlement periods, and, if transactions are successfully completed, digital assets will always end up at the wallet address to which they are sent with a proof of receipt forever etched in the blockchain, which functions as a public ledger. Most importantly, holders of digital assets that are self-custodial maintain full control of their funds. Users of self-custodial systems do not need to rely on any bank or custodian entity to provide access to their own assets.

**Wallets**—Wallets are a software-based technology that allows users to manage their private keys that grant access to the blockchain addresses where their digital assets are stored. They do not actually store digital assets the way one might store a twenty-dollar bill in a physical leather wallet. Rather, the digital assets remain stored at a particular blockchain address on the relevant blockchain, as described above in “—Private and Public Keys”.

There are two recognized categories of wallets: hot wallets and cold wallets. Hot wallets are connected to the internet in some way and typically reside on a website, desktop or inside a mobile phone, with the holder’s private keys stored digitally. Typing one’s private key into a hot wallet will “unlock” the digital assets stored at the address identified by the private key so the user can then access the digital assets. Cold wallets are physical devices, not connected to

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the internet, that store the holder's private keys. Generally, digital assets stored in hot wallets are more easily accessible; however, access to the internet means that the user must maintain effective internet security practices to protect their wallet. On the other hand, the downside to using cold wallets is that they are not as easily accessible and are typically used only for long-term storage of digital assets.

Often wallets have cumbersome interfaces, better suited to people who are very familiar with coding and computer processing than to consumers who want a straightforward, easy-to-use interface. In addition, many other wallets do not cover a sufficiently wide variety of digital assets, thereby requiring customers to maintain different wallets for different digital assets. For wallets that offer services such as the exchanging of one digital asset for another, these services may be difficult to use. Most significantly, wallets are often maintained by centralized exchanges, where the company that controls the technology of the wallet holds onto the private keys, which gives the wallet creator control over the funds that can be accessed with those private keys.

### **Providers**

**Third-Party Providers**—We serve third-party application programming interface (“API”) providers by integrating their services such as digital asset exchanging, fiat onboarding and staking products into the Exodus Platform through an API agreement.

### **Our Solution — The Exodus Platform**

The Exodus Platform allows our users to leverage the power of digital assets in an easy and straightforward way, without compromising privacy or the security of their digital assets. Management believes we accomplish this by:

- creating a platform designed for our users to retain full control over the digital assets held in their Exodus wallet by encrypting the private keys locally on our users' personal devices (private key data is not retained by Exodus);
- streamlining our users' set up process by offering a range of wallet options to hold users' private keys (including hot and cold wallets);
- providing quick access to digital assets without distractions of unnecessary or confusing technical information;
- hosting and maintaining our own robust server infrastructure to help enable maximum uptime for all digital assets and services offered on our platform;
- integrating third-party apps seamlessly into our highly functional platform to provide our users with a rich ecosystem of ways to use and manage their digital assets, as well as providing us with potential additional avenues for monetizing our platform;
- adapting and innovating the Exodus Platform to support our users' ability to store other types of valuable assets such as personal information, traditional fiat currencies and other tokenized financial products; and
- providing timely support for users of our platform.

### **Our Strategy**

**Elevate Technology**—We are committed to investing in product development that enhances functionality of the Exodus Platform. Our regular software updates enable us to respond to user evaluations of our products on a rapid timetable. We believe that, over time, traditional financial assets, services and experiences will migrate to using blockchain technology and we are building for that eventuality. We also believe that people and entities will want the flexibility to keep their wealth as digital assets, particularly Bitcoin, Ethereum and Stablecoins, instead of only in fiat currencies. Currently, products do exist to permit users to migrate from fiat currency to digital assets; however, they often have poor user interface/user experience (“UI/UX”) designs and require numerous transactions to move between different types of digital assets. The Exodus Platform is asset agnostic, meaning we have the ability to operate properly irrespective of the type of digital asset.

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**Grow the Core**—We are focused on growing the number of services provided on our platform by targeting the integration of diverse API providers into the Exodus Platform. In addition, we also are working to grow the depth of API providers who contribute similar services within the Exodus Platform. This is expected to provide several benefits including, but not limited to:

- *Expanded geographic coverage.* Limitations of regulatory and licensing requirements in certain jurisdictions may have less impact on our user experience;
- *Increased service uptime.* Individual API providers can experience downtime which directly impacts their ability to provide services to our users. Having multiple API providers may allow for redundancy and improved uptime; and
- *More competition among API providers.* API providers compete to provide the best offering, often translating to the best cost or lowest price, for our users.

**Diversify our products and services**—The development of applications (“apps”) allows us to diversify our user base, expand our product offerings and maintain more than one source of revenue. Where permitted, each new app provides us with an opportunity to monetize user transactions involving digital assets held in the Exodus Platform through commissions, subscription fees or other means. When determining whether to integrate an app into our platform, one of our top priorities is a consistent, high quality user experience by maintaining the Exodus interface and the ease of use that our users expect from Exodus products. We believe that apps will be essential in bringing digital assets into mainstream use; exposing our user base to digital asset apps directly within their wallet will increase engagement and encourage users to continue using our products.

### **Our Products and Services**

Our principal products and services are described below.

**Exodus Platform**—Exodus has developed proprietary software, the Exodus Platform. Since the creation of the Exodus Platform, it has been downloaded over 12.4 million times as of December 31, 2023. We offer all versions of the Exodus Platform to users as a free download. We never take possession of the user’s assets but instead apply a streamlined interface to the functionality provided by third-party API providers. Exodus and our wholly owned Swiss subsidiary, Proper Trust AG, enter into API agreements with these third-party providers that serve both U.S. and non-U.S. users. We do not have any other international subsidiaries or operations. Our business is dependent on the successful integration of these third-party API providers as the majority of our revenue is earned through fees generated by users of the Exodus Platform as they access the services of the API providers.

The Exodus Platform is accessible through our desktop, browser extension, and mobile platforms where users send, receive and swap over 21,000 digital assets without having to access centralized exchanges or trade across multiple order books. We have a streamlined approach to aggregating the exchanges and aim to provide users with the best exchange rate within their jurisdictional limitations. As a result, our user experience is significantly simpler than that found on other wallets and saves the user time from not having to search through centralized exchanges and orderbooks. The platform also provides important information for users regarding accurate and real-time information on digital asset prices and other relevant market data. As of December 31, 2023, our users have swapped approximately \$12.3 billion of digital assets.

**Fiat on and off-ramps**—Fiat on-ramps, powered by API providers such as Ramp Network, facilitate an effortless exchange for users to buy digital assets with fiat currency through bank transfer, credit or debit card and Apple Pay. Users can sell digital assets for fiat currency and transfer to their bank account utilizing our off-ramp, which is currently powered by an API provider called MoonPay.

**Staking**—Staking allows users to “stake” supported digital assets held in their Exodus wallets by participating in blockchain validation through a third-party API provider, Everstake. According to the design of the underlying network staking protocols, the holder determines the amount of digital assets to stake, retains full control and ownership of the digital assets and can unstake them at any time.

Users of the Exodus Platform are able to access the Staking app within the Exodus Platform and delegate certain digital assets to participate in staking and receive the resulting rewards. Exodus receives an API integration fee from Everstake.

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### **Sales and Marketing**

Historically, we have minimally used traditional marketing and advertising platforms, but instead have chosen to create high-quality content on our YouTube channel. This content highlights digital assets accessible on the Exodus Platform and ensures that users have access to dynamic content that anticipates their questions, feeds their curiosities, and gives them an honest assessment of these digital assets. Our effort to deliver the best user experience and support for digital assets has led to the majority of our user acquisitions coming from word-of-mouth.

### **Competitive Landscape**

We pioneered and continue to lead the market for self-custodial solutions for managing digital assets. We believe that we provide the most comprehensive self-custodial solution, offering mobile and desktop products, the option to connect to a hardware wallet, a significant range of supported digital assets, as well as functions such as our Exchange Aggregator and other apps. Since our founding, our competition has primarily been custodial solutions that offer a tangential self-custodial product, such as the exchanges supported by well-known companies like Coinbase. These exchanges tend to have greater name recognition and, as people are familiar with custodial products used in the traditional banking system, people may believe that the products they offer are more secure and are easier to use than stand-alone self-custodial products.

We believe that due to security and technical risks associated with centralized or custodial services, digital asset holders will continue to move towards stand-alone self-custodial solutions. We also believe that the recent collapse of certain large custodial digital asset companies and the resultant suspension of withdrawals validates the benefits of self-custodial solutions.

Within the market for self-custodial wallet solutions, there are other companies that actively compete with us, offering various combinations of the features available on our platform. While leading exchanges, which have significant resources and brand power, have created self-custodial wallets, their focus continues to be on centralized digital asset products. However, our market is relatively new, and our competitors have adapted and may continue to adapt their platforms to incorporate many of our features and design, as well as additional features or solutions.

Our current and potential competitors include a number of different types of companies, including:

- Exchanges that specialize in digital assets and offer a self-custodial wallet solution;
- Digital asset wallets;
- Banks, non-depository trust companies and other chartered financial institutions that offer digital asset custody services; and
- Exchanges or other FinTech companies with substantial infrastructure and market share that decide to and may be legally able to offer digital assets.

We believe that the principle competitive factors in our market are:

- platform features, quality, functionality and design;
- product pricing;
- breadth of features offered by a platform;
- quality of user support;
- security and trust;
- brand awareness and reputation;
- ease of adoption and use;
- accessibility of platform on multiple devices;
- user acquisition costs; and
- range of supported digital assets.

Exodus compares favorably with our competitors on the basis of these factors. Based on recent market data, we expect demand for self-custodial solutions to continue to rise and believe that we are well-positioned to take advantage of this market opportunity.

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### **Intellectual Property**

Our success depends in part upon our ability to protect and use our core technology and intellectual property rights. We rely on a combination of copyrights, trademarks, trade secrets, know-how, contractual provisions and confidentiality procedures to protect our intellectual property rights. We have registered “Exodus” as a trademark in the United States and other jurisdictions and we have filed other trademark applications to protect our logo in the United States and several international jurisdictions. We are also the registered holder of a variety of domestic and international domain names that include “Exodus” – including, most importantly, “exodus.com.”

In addition to the protection provided by our intellectual property rights, we enter into proprietary information and invention assignment agreements or similar agreements with our team members, consultants and contractors. We may also seek to patent our technology in the future.

### **Human Capital Management**

As of December 31, 2023, Exodus had approximately 195 full time equivalents (“FTEs”) who are paid exclusively in Bitcoin. Within our FTEs, approximately 130 team members are located outside the United States in approximately 50 countries located on six different continents. TriNet, our contracted professional employment organization, co-employs our United States team members and assumes much of the responsibilities and liabilities for the business of employment such as risk management, human resources management, benefits administration, workers compensation, payroll and payroll tax compliance. Exodus retains the responsibility for hiring, terminating and managing our team members and operations. None of our team members are represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages and we consider our relations with our team members to be good.

Our team members are critical to our mission to ignite an exodus from the traditional finance system by empowering people to secure, manage and use their digital assets. Our key human capital management objectives are to attract, retain and develop the highest quality talent. To achieve these objectives, our human resource programs are designed to prepare our talent for critical roles and leadership positions for the future, reward and support team members through competitive pay and benefits, enhance our culture through efforts aimed at making the workplace more engaging and inclusive and facilitate internal talent mobility to create a high-performing and diverse workforce. As a completely remote company, our team members have the flexibility to work wherever and whenever they want. We offer an open culture; blockchain technology fosters trust and transparency, and we strive to foster this on our team.

### **Uncertainty and Volatility in the Digital Asset Markets**

In recent years, there have been well-known digital asset market participants who have declared bankruptcy including Celsius Network, Voyager Digital Ltd., Three Arrows Capital and FTX. In response to these events, the digital asset markets, more specifically Bitcoin, have experienced extreme price volatility, resulting in a loss of confidence in participants of the digital asset ecosystem. These events have also negatively impacted the liquidity of the digital asset markets as certain entities affiliated with FTX formerly engaged in significant trading activity. Continued price volatility, negative publicity, the lack of standardized regulation and the closure or temporary shutdown of digital asset exchanges due to business failure, hackers or malware, government investigations or fraud may further reduce confidence in digital asset exchange networks and result in a negative impact on our business. It is not possible to predict at this time all of the risks these events may pose to Exodus, our service providers, our API providers or on the digital asset industry as a whole.

We have not experienced an inability to recover material assets due to bankruptcies, nor do we currently use digital assets as collateral for any loan, margin, rehypothecation, or other similar activities to which we are a party. However, even if there is no direct material impact on our business due to bankruptcies, we have been and may continue to be indirectly affected by these events.

To our knowledge, none of our API providers have filed for bankruptcy, been decreed insolvent or bankrupt, made any assignment for the benefit of creditors, been appointed a receiver, experienced excessive redemptions, suspended redemptions or withdrawals of digital assets, had digital assets of their users unaccounted for or experienced material corporate compliance failures.

### **Regulatory Environment**

Our operations expose us to a number of federal, state, local and international laws and regulations. These laws and regulations address multiple aspects of our operations, such as taxes, securities, consumer rights, privacy, data

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security and employment matters, and may also impact other areas of our business and may be dependent on the jurisdiction of operation. Changes in government regulation of our business has the potential to materially alter our business practices or our profitability. Depending on the jurisdiction, those changes may come about through the issuance of new laws and regulations or in the application of existing laws and regulations by a court, regulatory body or governmental official. Sometimes those changes may have both a retroactive and prospective effect. This is particularly true when a change is made through the application of existing laws or regulations to new fact patterns. Moreover, changes in regulation that may seem neutral on the surface may have either more or less impact on us than our competitors, depending on the circumstances. The complexity and evolving nature of our business and the significant uncertainty surrounding the regulation of the digital asset economy requires us to exercise our judgment as to whether certain laws, rules and regulations apply to us, and it is possible that regulators may disagree with our conclusions. We generally believe that our business, as discussed in this Report, is compliant with these regulations, but in certain cases there may be uncertainty related to that conclusion. For additional discussion, see “Item 1A. Risk Factors – Regulatory Risk Factors,” which we incorporate by reference here.

### **Available Company Information**

Upon the effective date of this registration statement, we will become subject to the informational requirements of the Exchange Act, and accordingly, will file current and periodic reports, proxy statements and other information with the SEC. With respect to disclosures filed or furnished to the SEC, you may obtain copies of our prior and future reports free of charge from the SEC’s website, at [www.sec.gov](http://www.sec.gov). Our principal internet website address is [www.exodus.com](http://www.exodus.com).

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### **Item 1A. Risk Factors**

*Investing in or maintaining your investment in our common stock involves risk. You should carefully consider each of the risks and uncertainties set forth below as well as the other information contained in this Report before deciding to invest in our securities. We have grouped our Risk Factors under captions that we believe describe various categories of potential risk. For the reader's convenience, we have not duplicated risk factors that could be included in more than one category. Any of the following risks and uncertainties could materially and adversely affect our business, financial condition, results of operations, liquidity and/or cash flows and the impact could be compounded if multiple risks were to occur.*

#### **Risks Related to Our Business**

***Our profitability is dependent on our ability to attract, maintain and grow our user base.***

The success of our business depends on our ability to attract and retain Exodus Platform users. To do so, we must demonstrate to potential and existing users that our platform offers significant advantages over those of our competitors. Market acceptance of the Exodus Platform is affected by a number of factors, many of which are beyond our control, including the timing of the release into the market of new products, features and functionality introduced by our competitors, the performance of third-party services offered through the Exodus Platform, user perceptions of the Exodus Platform's security and reliability, acceptance and interest in digital assets and the growth or contraction of the market in which we compete.

As the market for digital assets and related services continues to mature, we expect that an increased focus on user satisfaction will profoundly impact demand for the Exodus Platform. We believe that our users are increasingly looking for flexible and secure digital asset wallets that seamlessly integrate a range of applications and support a wide variety of digital assets, while streamlining the user experience and minimizing complexity. If we are unable to meet this demand, or if the Exodus Platform otherwise fails to achieve widespread market acceptance, our business, results of operations, financial condition and growth prospects may be adversely affected.

***If we are not able to maintain our brand or reputation, our business and results of operations may be adversely affected.***

We believe that maintaining our reputation as a leading provider of a self-custodial digital asset wallet with superior user support is critical to our relationship with our existing users and our ability to attract new users. The successful promotion of our brand will depend on several factors, including our ability to maintain a record of security, performance and reliability; our ability to continue to develop and integrate high-quality products and features for our platform through API agreements; and our ability to successfully differentiate our platform from competitive products and services. Independent industry and financial analysts often provide reviews of our platform, as well as those of our competitors. Perception of our offerings in the marketplace may be significantly influenced by these expert reviews. If reviews of our platform are negative or less positive than those of our competitors our brand may be adversely affected. The performance and reputation of our third-party API providers may also affect our brand and reputation, particularly if users do not have a positive experience with our API providers.

Further promotion of our brand may require us to make increased expenditures and we anticipate that the expenditures will increase as our market becomes more competitive. Expenditures intended to maintain and enhance our brand may not be cost-effective or effective at all. If we do not successfully maintain and enhance our brand, we may experience reduced pricing power relative to our competitors, a decrease in existing users, failure to attract new users or an inability to expand offerings of new products to our existing users, all of which could materially and adversely affect our business, results of operations and financial condition.

***Our success depends on the success of our third-party providers, and disruptions in our agreements with these providers may adversely affect our business, results of operations and financial condition.***

The success of third-party services on the Exodus Platform is affected by a number of factors, many of which are beyond our control, such as our ability to successfully integrate services into the Exodus Platform using third-party APIs, technological changes and developments, user preferences and technical support provided by the third party. Interruptions or delays in our cloud or internal infrastructure or third-party services and cybersecurity incidents such as attacks on our information systems by malicious actors could also affect our third-party services.

There can be no assurance that these third-party services will continue to perform in a manner our users find adequate. In addition, if any of the agreements with our API providers are terminated or suspended, whether due to a failure

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or breach of performance or otherwise, we could be forced to incur additional expenses in seeking replacements, may not be able to obtain replacements in a timely fashion, if at all, and such interruptions or discontinuations of service could interfere with our existing user relationships and make us less attractive to potential new users. Multiple terminations or suspensions in a short period of time could impair the functionality of the Exchange Aggregator, resulting in user dissatisfaction and revenue loss. Additionally, certain of our third-party API providers deliver features and functionalities that, if no longer available to us, cannot be replaced easily or in a timely fashion, if at all. Users may attribute such interruptions or delays to the operations of our platform, leading to doubts about the efficiency or reliability of the Exodus Platform which could have an adverse effect on our reputation and financial condition.

***Any actual or perceived failure of the Exodus Platform to block malware or prevent failures or security breaches or other cybersecurity incidents could harm our reputation, cause the Exodus Platform to be perceived as insecure, underperforming or unreliable, impede our efforts to attract and retain users and otherwise negatively impact our business, results of operations and financial condition.***

Our information systems and data may be vulnerable to attacks from malicious third parties or breaches due to human error, malfeasance, or other cybersecurity incidents that could result in unauthorized access to our internal systems, networks and data. This may include computer malware, viruses, ransomware and other malicious software, computer hacking, fraudulent use, social engineering (including phishing attacks), data privacy breaches by employees, insiders or others with authorized access, and other attempts to gain unauthorized access to our information systems and data. Cybersecurity incidents have become more prevalent and have been initiated against us and our users in the past and may occur against us or our users in the future. Certain kinds of viruses or malware can corrupt basic functionalities of device operating systems to allow hackers to access or misdirect our users' digital assets. Additionally, we may experience cybersecurity incidents, including cyber-attacks by third parties seeking unauthorized access to our users' confidential data, which could disrupt our ability to provide services on the Exodus Platform, or lead to exposure of user information. We also process, store and transmit our own data as part of our business and operations. This data may include personally identifiable, confidential or proprietary information or employee or vendor data. Additionally, we use certain third-party service providers to store and process data on our behalf, and they face a variety of security risks. Our security measures or those of our third-party service providers could fail or we could suffer data loss or unauthorized access to, or use of, our platform or the systems or networks used in our business, including unauthorized, accidental or unlawful access to, or disclosure, modification, misuse, loss or destruction of, our or our users' data.

Private keys may also be compromised if users choose to store their private keys in non-secure systems, such as third-party email services, which may be susceptible to security breaches and other cybersecurity incidents, despite our efforts to discourage our users from engaging in these practices. Although such incidents are outside of our control and do not relate to any insecurity or vulnerability on the part of the Exodus Platform, users may nevertheless blame or become dissatisfied with the Exodus Platform as a result of these negative experiences.

Any of the foregoing cybersecurity incidents, or a market perception that the Exodus Platform is insecure, underperforming or unreliable, whether or not accurate, could result in a loss of existing or potential users or third-party relationships; harm to our financial condition and results of operations; delay or inability to attain market acceptance of our platform; expenditure of significant financial resources in efforts to analyze, correct, eliminate, remediate or work around errors or defects, to address and eliminate vulnerabilities and to address any applicable legal or contractual obligations relating to any actual or perceived security breach or other cybersecurity incident; negative publicity and damage to our reputation and brand; and legal claims and demands (including for stolen assets or information, repair of system damages and compensation to users), litigation, regulatory audits, proceedings or investigations, regulatory fines or penalties and other liabilities.

Any of the foregoing can be exacerbated by a delay or failure to detect a cybersecurity incident or the full extent of such incident. We have incurred and expect to incur significant expenses in an effort to prevent security breaches and other cybersecurity incidents, including deploying additional personnel and protection technologies, training personnel and engaging third-party experts and consultants. Furthermore, because data security is a competitive factor in our industry, we make statements publicly, including in our privacy policies and terms of service, providing assurances about the security of our platform, including descriptions of our security measures. Should any of these statements be untrue or become untrue, even though circumstances beyond our reasonable control, we may face claims, investigations or other proceedings by U.S. federal and state regulators, as well as foreign regulators and private parties. The continuing and evolving threat of cyberattacks has also resulted in increased regulatory focus on

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prevention, and to the extent we face increased regulatory requirements, we may be required to expend significant additional resources to meet such requirements. In addition, our liability insurance might not be sufficient in type or amount to cover us against claims related to cybersecurity incidents or attacks.

***If we are unable to access our private keys or if we experience a hack or other data loss relating to our ability to access any digital assets, it could cause regulatory scrutiny, reputational harm and other losses.***

Digital assets are generally controllable only by the possessor of the unique private key relating to the wallet in which the digital assets are held. While blockchain protocols typically require public addresses to be published when used in a transaction, private keys must be safeguarded in order to prevent a third party from accessing the digital assets held in such a wallet. To the extent that any of the private keys relating to our hot wallet or cold storage containing digital assets held for our own account are lost, destroyed or otherwise compromised or unavailable, and no backup of the private key is accessible, we will be unable to access the digital assets held in the related wallet which could adversely affect our ability to access or sell our digital assets and subject us to regulatory scrutiny, reputational harm and significant financial losses.

***Some of our technology incorporates or utilizes software released under the terms of “open source” licenses, which could subject us to possible litigation and be used by other companies to compete against us.***

Aspects of the Exodus Platform and our applications include or utilize software released under the terms of open source licenses, including the MIT License, Internet Systems Consortium License, Apache License, Mozilla Public License and GNU Lesser General Public License. While we monitor our use of open source software (“OSS”), we could be subject to suits for noncompliance with open source licensing terms, infringement on a third party’s intellectual property rights or indemnification. Such inadvertent use could also require us to release our proprietary source code, pay damages, royalties, license fees or other amounts, seek new licenses from third parties, re-engineer our platform or applications, discontinue sales or distribution of software in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from the operation of our business, maintenance of our platform or our development efforts, any of which could adversely affect our business.

***Disputes with our users and other third parties could be costly, time-consuming and harm our business and reputation.***

Our business requires us to enter into a large number of agreements with third-party providers and distribute the Exodus Platform in many different jurisdictions. Our agreements contain a variety of terms, including service levels, data privacy and security obligations, indemnification, dispute resolution procedures and regulatory requirements. Agreement terms may not be standardized across our business and can be subject to differing interpretations and local law requirements, which could result in disputes with our users and other third parties from time to time. If our users or other third parties notify us of a breach of contract or otherwise dispute the terms of our agreements, the dispute resolution process could be expensive and time consuming and result in the diversion of resources that could otherwise be deployed to grow our business. Even if these disputes are resolved in our favor, we may be unable to recoup the expenses and other diverted resources committed to resolving the dispute and, if we receive negative publicity in connection with the dispute, our reputation and brand may be harmed. Furthermore, the ultimate resolution of such disputes may be adverse to our interests and as a result could negatively affect our results of operations and financial condition.

***We face intense and increasing competition, which could adversely affect our business, financial condition and results of operations.***

The market in which our platform competes is intensely competitive and characterized by rapid changes in technology, user expectations, industry standards, frequent introductions of new products and improvements to existing products. We expect competition to increase as other established or emerging companies enter the markets for digital assets, particularly with respect to wallets, exchanges and applications designed to support digital assets.

In particular, some of our competitors may have substantially broader and more diverse product and services offerings, allowing them to leverage existing commercial relationships, incorporate functionality into existing products, sell products and services with which we compete at zero or negative margins, offer fee waivers and reductions or other economic and non-economic concessions, bundle products, maintain closed technology platforms or render our platform unable to interoperate with such products. If they were to engage in predatory practices, it

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could harm our existing platform offerings or prevent us from creating viable products in other segments of the markets in which we participate. If we are unable to anticipate or effectively react to these challenges, our competitive position could weaken, and we could experience a decline in revenue or our growth rate that could materially and adversely affect our business, financial condition and results of operations.

***If we are not able to effectively keep pace with technological developments that are attractive to our current and prospective users, our business, results of operations and financial condition could be adversely affected.***

Because our platform is designed to operate on a variety of networks, applications, systems and devices, we will need to continually modify and enhance our platform to keep pace with technological advancements. There can be no assurance that updates to our platform will be released in a timely or cost-effective manner. In addition, they may contain errors or defects in operability within the Exodus Platform, which could make our platform become less marketable, less competitive or obsolete and our business, results of operations and financial condition may be adversely affected.

***If we fail to effectively manage our growth, we may be unable to execute our business plan, maintain high-quality levels of support, ensure the security of our platform, adequately address competitive challenges or maintain our corporate culture, and our business, financial condition and results of operations would be harmed.***

Our success depends on our ability to effectively manage the growth of our business. The Exodus Platform has experienced rapid organic growth since the market for digital assets began attracting widespread interest in 2017 and 2018. Our growth has placed, and is expected to continue to place, a strain on our management and our administrative, operational and financial infrastructure. Our success will depend in part on our ability to manage this growth effectively, which will require that we continue to improve our administrative, operational, financial and management systems and controls by, among other things: maintaining the integrity of our core business purpose, which is to design and provide the best user experience for digital assets; maintaining high levels of user support; ensuring the integrity and security of our platform and IT infrastructure; identifying and continuing to expand strategic relationships with third-party API providers and executing agreements to integrate third-party software into the Exodus Platform; further improving our key business applications, processes and IT infrastructure; and enhancing our information and communication systems to ensure that our team members around the world are well coordinated and can effectively communicate with each other and our growing base of third-party API providers and users.

Managing our growth will require significant capital expenditures and allocation of valuable management and employee resources. If we fail to manage our expected growth, the uninterrupted and secure operation of our platform and our compliance with the rules and regulations applicable to our operations, the quality of our platform and ability to compete could suffer. Any failure to preserve our culture also could further harm our ability to retain and recruit personnel, innovate and create new enhancements for our platform, operate effectively and execute on our business strategy.

***We may be unable to raise additional capital needed to grow our business.***

While we may need to raise additional capital to expand our operations, pursue our growth strategies and respond to competitive pressures or working capital requirements, we may not be able to obtain additional debt or equity financing on favorable terms, if at all, which could impair our growth and adversely affect our existing operations. The global economy, including credit and financial markets, has recently experienced extreme volatility and disruptions, including diminished credit availability, rising interest and inflation rates, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. Such macroeconomic conditions could also make it more difficult for us to incur additional debt or obtain equity financing. Further, the digital asset industry has been negatively impacted by recent events such as the bankruptcies of Core Scientific, Celsius Network, Voyager Digital Ltd., Three Arrows Capital and FTX. In response to these events, the digital asset markets, including the market for Bitcoin specifically, have experienced extreme price volatility and several other entities in the digital asset industry have been, and may continue to be, negatively affected, further undermining confidence in the digital asset markets and in Bitcoin. In light of conditions impacting our industry, it may be more difficult for us to obtain equity or debt financing in the future.

If we raise additional equity financing, our stockholders may experience significant dilution of their ownership interests, and the per share value of our Class A common stock could decline. Furthermore, if we engage in additional debt financing, the holders of debt likely would have priority over the holders of our Class A common stock on order

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of payment preference. We may be required to accept terms that restrict our ability to incur additional indebtedness, take other actions including accepting terms that require us to maintain specified liquidity or other ratios that could otherwise not be in the interests of our stockholders.

***We may pursue strategic transactions, which could be difficult to identify and implement, and could disrupt our business or change our business profile significantly.***

Our ability as an organization to successfully acquire technologies or businesses is unproven. However, we believe that our long-term growth depends, in part, on our ability to develop and monetize additional aspects of our platform, which we may pursue through acquisitions, investments in other companies, partnerships, alliances or other strategic transactions. We cannot assure you that we will be able to identify suitable transactions and, even if we are able to identify such transactions, that we will be able to consummate any such acquisitions on acceptable terms. Any future strategic transactions we pursue may involve a number of risks that could adversely affect our business, financial condition and operating results.

***Our holdings of digital assets expose us to potential risks, including exchange, security, valuation and liquidity risks, which could negatively affect our business, financial condition and results of operations.***

The market price of Bitcoin has historically been volatile and may affect our business by fluctuating the value of funds available to us which could materially and adversely affect our financial condition, results of operations and cash flows. Further, because we do not currently hedge our investment in Bitcoin, and do not intend to for the foreseeable future, we are directly exposed to Bitcoin's price volatility and surrounding risks.

The market price of Bitcoin is impacted by a variety of factors and is determined primarily using data from various exchanges, over-the-counter markets and derivative platforms. As described above, the digital asset industry has been negatively impacted by market price volatility. Such prices may also be subject to factors that impact commodities which could subject us to additional influence from fraudulent or illegitimate actors, real or perceived scarcity and political, economic, regulatory or other conditions. Pricing may be the result of, and may continue to result in, speculation regarding future appreciation in the value of Bitcoin, our Class A common stock price and manipulation of market prices for both Bitcoin and shares of our Class A common stock. Further, volatility in digital asset pricing could lead to other impacts such as increased risks of legal proceedings or governmental scrutiny of us and our affiliates, users, suppliers and partners either in the United States or in other jurisdictions. Continued volatility in the digital asset industry could adversely affect an investment in our Class A common stock.

Most of our expenses, like team member salaries, are denominated in U.S. dollars and paid using Bitcoin. We are subject to translational risk because we may be required to pay a larger amount of Bitcoin to satisfy these expenses if the dollar value of Bitcoin decreases. Certain of our other liabilities, expenses and costs must be paid in U.S. dollars, and we may be required to convert digital assets to U.S. dollars in order to satisfy those liabilities, expenses and costs. The U.S. dollar value of any given digital asset can fluctuate significantly and may be characterized by volatility. There can be no assurance that we will be able to exchange our digital assets for U.S. dollars on a timely basis, if at all, or for a fair price. If the value of our digital assets declines, or if we experience difficulties converting our digital assets to U.S. dollars, we may not have sufficient liquidity to satisfy our liabilities, expenses and costs as they become due, which may negatively affect our business operations and financial condition.

Additionally, digital assets are not subject to the protections typically enjoyed by more conventional types of financial assets, such as FDIC or Securities Investor Protection Corporation insurance. If our digital assets are lost, stolen or destroyed, we may not have adequate sources of recovery and, even if we can identify a third party responsible for such loss, theft or destruction, such third party may not have the financial resources sufficient to make us whole again. In addition, we do not have insurance that covers our Bitcoin in the event of loss or fraud. As a result, we may suffer a loss with respect to our Bitcoin, and we may not be able to recover any of our carried value in these Bitcoin if they are lost or stolen. If we are not otherwise able to recover damages from a malicious actor in connection with these losses, our business and results of operations may suffer, which may have a material negative impact on the price of our Class A common stock.

***We have previously identified a material weakness in our internal control over financial reporting, which we have not fully remediated. Because of our failure to maintain an effective system of internal control over financial reporting, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and the price of our common stock.***

A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our consolidated financial statements will not be

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prevented or detected on a timely basis. The Company had previously identified material weaknesses in the Company's control environment whereby the Company did not design and maintain effective internal control over financial reporting with respect to the expertise and quantity of its resources. Specifically, management did not effectively execute a strategy to hire, train, and retain a sufficient quantity of personnel with an appropriate level of training, expertise, and experience in certain areas important to financial reporting. In addition, we also identified a material weakness whereby management did not design and implement effective control activities based on the criteria established in the Committee of Sponsoring Organizations framework. Management has committed to remediating these material weaknesses as promptly as possible and has implemented its remediation plan. We hired accounting personnel and an additional Sarbanes-Oxley Act of 2002 readiness resource as well as implemented processes and controls to better identify and manage segregation of duties intended to remediate the identified deficiencies, which constituted the material weaknesses. However, we cannot provide any assurances that the measures that we have taken or will take will be sufficient to remediate this material weakness, and we also cannot assure you that we have identified all of our existing material weaknesses.

***Our success depends on our ability to attract and retain key technical, user support and management personnel while supporting the onboarding and career development of our team members.***

Our ability to successfully execute on our business plan depends on the contribution of our senior management team as well as other key talent including platform development, operations, user support, general administrative functions and our creative and engineering teams. We have previously and may continue to experience increasing competition for available talent in the workforce as reflected by the low unemployment rate, shortages of available industry talent and increasing costs to retain employees. As a result, we could experience inefficiencies or a lack of business continuity due to employee turnover, new team members' lack of historical knowledge and lack of familiarity with the business processes, operating requirements, purpose and culture, policies and procedures and key information technologies and related infrastructure used in our day-to-day operations and financial reporting. We may also experience additional costs as new employees learn their roles and gain necessary experience, in addition to the cost of hiring new individuals.

If we were to lose the services of members of our senior management team or other key talent, whether due to death, disability, resignation or termination of employment, our ability to successfully implement our business strategy, financial plans, marketing and other objectives could be significantly impaired. In addition, if we are unable to attract and retain qualified key talent, we may not be able to effectively and efficiently manage our business and execute our business plan.

***If we are required to reclassify independent contractors as employees, we may incur additional costs and taxes which could adversely affect our business, financial condition, results of operations and prospects.***

We use a significant number of independent contractors in our international operations for whom we do not pay or withhold any employment tax based on their location or jurisdiction. Whether an individual is an employee or an independent contractor depends on applicable local law and may be subject to multiple, fact-intensive factors. There can be no assurance that legislative, judicial or regulatory (including tax) authorities will not introduce proposals or assert interpretations of existing rules and regulations that would change, or at least challenge, the classification of our independent contractors. Foreign tax authorities may determine that we have misclassified our independent contractors for employment tax or other purposes and, as a result, seek additional taxes from us or attempt to impose fines and penalties. Additionally, individual independent contractors could initiate legal actions asserting rights of employment in their various jurisdictions, which could include claims for unpaid wages or other benefits that are required by local laws. If we are required to pay employer taxes or pay backup withholding with respect to prior periods and/or any other amounts with respect to or on behalf of our independent contractors, our operating costs will increase, which could adversely impact our business, financial condition or results of operations. Additionally, if we are the subject of individual legal actions or government investigations related to our independent contractors, the dispute resolution process could be expensive and time consuming and result in the diversion of resources that could otherwise be deployed to grow our business. Even if any such dispute or investigation were to be resolved in our favor, we may be unable to recoup the expenses and other diverted resources committed to resolving the dispute or investigation and, if we receive negative publicity in connection with any such dispute, our reputation and brand may be harmed.

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***Our international operations expose us to additional risks and failure to manage those risks could materially and adversely impact our business.***

Despite geo-political unrest, we believe the digital asset industry remains resilient, as demonstrated by our increase in our volume in 2023. We actively monitor the impact of the dynamic macroeconomic environment and manage our business to adjust to such conditions. Any geo-political unrest could cause disruptions in the Company's business and lead to interruptions, delays or loss of critical data. Specifically, financial and digital asset markets may be negatively affected by the conflict between Russia and Ukraine and the conflict between Israel and the Gaza Strip. We cannot predict the extent to which our financial condition, results of operations or cash flows will ultimately be impacted by these ongoing economic conditions, however, we believe we are well-positioned to operate effectively through the present environment. While Exodus does not have physical infrastructure globally, we do have contractors and a subsidiary outside of the United States and contracts with international third-party API providers. Our international operations and any expansion internationally could subject us to a variety of additional risks and challenges, including:

- increased management, travel, infrastructure and legal compliance costs associated with having operations in multiple jurisdictions;
- providing our platform and operating our business in different languages, among different cultures and time zones;
- compliance with foreign privacy, data protection, security laws and regulations, data localization requirements and the risks and costs of non-compliance;
- greater difficulty in enforcing contracts and accounts receivable collection;
- limitations on our ability to market our platform in foreign markets;
- differing technical standards, existing or future regulatory and certification requirements and required features and functionality;
- political and economic conditions and uncertainty in each country or region in which we operate;
- compliance with laws and regulations for foreign operations, including anti-bribery laws, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory or contractual limitations on our ability to acquire new users in certain foreign markets and the risks and costs of noncompliance;
- reduced or uncertain protection for intellectual property rights in some countries;
- greater risk of unexpected changes in regulatory practices, tariffs, tax laws and treaties; and
- differing employment practices and labor relations issues.

While we have taken appropriate measures to ensure that we are in compliance with foreign laws and regulations, failure to mitigate the risks associated with our international providers could impact our ability to conduct our business as planned which could materially and adversely impact our business.

### **Risks Related to Our Industry**

***Due to the unfamiliarity or negative publicity associated with digital assets, confidence or interest in digital asset platforms may decline which could adversely affect our business, results of operations and financial condition.***

The Exodus Platform is built around holding, transferring, exchanging and using digital assets, which means our business depends on growth in the public's adoption and acceptance of digital assets and the underlying blockchain technology to maintain and increase demand for the Exodus Platform. During 2022, multiple companies such as Core Scientific, Celsius Network, Voyager Digital Ltd., Three Arrows Capital and FTX and several of its affiliates all declared bankruptcy. While the FTX app was available on the Exodus Platform until we removed it in November 2022, it was never material to our business or results of operations. Following these events, users' confidence in trading of digital assets has decreased and the digital asset market has experienced negative publicity and extreme price volatility. The decrease in confidence in digital assets has had and may continue to have a negative impact on our business, including a decline in users, transaction-based API fees and value of the digital assets held by Exodus.

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***The new and rapidly evolving market for digital assets and related services is subject to a high degree of uncertainty.***

The growth of the digital asset industry, as well as the blockchain networks on which digital assets rely, is subject to a high degree of uncertainty regarding consumer adoption and long-term development. The slowing or stopping of the development, general acceptance and adoption of digital assets and blockchain networks may deter or delay the acceptance and adoption of the Exodus Platform or the applications on the Exodus Platform. The factors affecting the further development of the digital asset industry, as well as blockchain networks, include, without limitation: worldwide growth in the adoption and use of digital assets and other blockchain technologies; the regulatory environment relating to digital assets and blockchains; the maintenance and development of the OSS protocol of blockchain networks; a decline in the popularity or acceptance of digital assets and related services; the availability of other forms or methods of buying and selling goods and services or trading assets, including new means of using government-backed currencies or existing networks; and general economic conditions globally and in the United States.

***Legal and regulatory developments affecting digital asset mining activities may have a materially adverse effect on the digital asset industry, which would have an adverse effect on our business and results of operations.***

As a result of growing environmental concerns around the use of energy in Bitcoin and other proof-of-work mining activities, digital asset mining activities may be subject to future legal and regulatory developments. On November 23, 2022, the governor of New York signed into law a two-year moratorium on new or renewed permits for certain electricity-generating facilities that use fossil fuel and provide energy for proof-of-work digital asset mining operations. While this action does not directly impact our current operations, it may be the beginning of a new wave of climate change regulations aimed at preventing or reducing the growth of Bitcoin mining in jurisdictions in the United States, potentially including jurisdictions in which we now operate or may in the future operate. Similar actions in international jurisdictions in which we operate could have a material adverse effect on our operations. If further regulation follows, it is possible that the Bitcoin mining industry may not be able to adjust to a sudden and dramatic overhaul to our ability to deploy energy towards the operation of mining equipment and our business may suffer.

***Our business could be adversely impacted by the decision of foreign governments, internet service providers or others to block transmission from IP addresses on which our platform depends in order to enforce certain internet content blocking efforts.***

The evolving design of our platform may create challenges for various organizations, including governments, that seek to block certain content based on IP address “blacklists” or other mechanisms. If these challenges become too difficult for those organizations to overcome, they could make the decision to block content in an overbroad manner or block completely websites of providers that integrate with our platform. For example, the Chinese government restricts access to certain Google Cloud services from within the People’s Republic of China, and users of our mobile platform have experienced degraded functionality in China due to these restrictions on our platform’s ability to connect with those services. Some of these blocking efforts would be out of our control once they have been put in place and may limit our ability to provide our platform or third-party applications on a fully global basis, which could reduce demand for our platform among current or potential users and adversely impact our business, results of operations and financial condition.

***Banks and financial institutions may not provide banking services, or may cut off services, to businesses that engage in digital asset-related activities.***

A number of companies that engage in Bitcoin and/or other digital asset-related activities have been unable to find banks or financial institutions that are willing to provide them with bank accounts and other services. Similarly, a number of companies and individuals or businesses associated with digital assets may have had and may continue to have their existing bank accounts closed or services discontinued with financial institutions. To the extent that such events may happen to us, they could have a material adverse effect on our business, prospects or operations.

***Our tax information reporting obligations with respect to digital asset transactions are subject to change.***

Although we believe we are compliant with U.S. tax reporting and withholding requirements with respect to our customers’ digital asset transactions, the exact scope and application of such requirements is not entirely clear. In August 2023, the U.S. Department of the Treasury (“USDT”) and the Internal Revenue Service (the “IRS”) released

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proposed regulations (the “Proposed Regulations”) related to our tax reporting and withholding obligations on our customer transactions in ways that differ from our existing compliance protocols and there is risk that we will not have proper records to ensure compliance for certain legacy customers or transactions. The Proposed Regulations would require us to invest substantially in new and retroactive compliance measures. If the IRS determines that we are not in compliance with our tax reporting or withholding requirements with respect to customer digital asset transactions, we may be exposed to significant taxes and penalties, which could adversely affect our financial position. Any actual or perceived failure by us to comply with the above or any other emerging tax regulations that apply to our operations could harm our business.

### **Risks Related to Regulation**

***The regulatory regime governing blockchain technologies, digital assets and securities is uncertain and new regulations or policies may materially adversely affect the development and utilization of the Exodus Platform.***

Laws and regulations of digital assets, blockchain technologies and digital asset exchanges are currently undeveloped, vary among federal, state, local and international jurisdictions and are subject to significant uncertainty. As digital assets, blockchain technologies and digital asset exchanges continue to expand in popularity and market size, federal and state agencies have begun to regulate their use and operation. State regulators in New York, Texas, New Hampshire, North Carolina and Washington have created new regulatory frameworks, published guidance on existing laws and regulations or amended their state’s statutes to include virtual currencies in their existing licensing requirements. To the extent licenses or other authorizations are required in one or more jurisdictions in which we operate or will operate, there is no guarantee that we will be granted such licenses or authorizations. We may need to change our business model to comply with these licensing and/or registration requirements (or any other legal or regulatory requirements) in order to avoid violating applicable laws or regulations. Federal law continues to evolve as well. The USDT, the SEC and the Commodity Futures Trading Commission (“CFTC”) and the IRS have published guidance on the treatment of digital assets. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws.

Various legislative and executive bodies in the U.S. and in other countries may, in the future, adopt laws, regulations, guidance or other actions which may severely impact the development and growth of the Exodus Platform. Failure by Exodus, or certain users of the Exodus Platform, to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

Earlier this year, the United Kingdom Financial Conduct Authority (“FCA”) published new rules relating to how digital assets can be marketed to consumers. Specifically, companies seeking to promote digital assets in the UK to retail consumers are required to register with the FCA or have any marketing approved by an authorized company. The Company cannot register with the FCA because it operates a self-custodial wallet, and the rules are focused on asset custodians. Therefore, in anticipation of these rules taking effect on October 8, 2023, the Company took steps before the deadline to comply with the new FCA rules by modifying its marketing materials to avoid a determination by the FCA that it was promoting digital assets.

Even with the steps taken by the Company, the FCA utilized the broad nature of the new rules to state that the Company is not in compliance with the rules and placed the Company on its Warning List. The Company is actively working with the FCA to describe the nature of the Exodus wallet and remedy any marketing activities and product offerings that the FCA claims violate the rules. Failure by the Company to reach an agreement with the FCA to be removed from the Warning List could have a negative effect on the Company’s financial performance and operations.

***Certain digital assets traded using third-party services integrated within our platform or other programs could be viewed as “securities” for purposes of federal or state regulations and may be subject to regulatory scrutiny, inquiries, investigations, fines and other penalties.***

Offers and sales of securities in the United States are required under the Securities Act to either be registered with the SEC or to qualify for an exemption from federal registration and may also be required to be registered with applicable state regulators. Certain digital assets could fall within the definition of a security, and while we do not engage in trading of digital assets on our platform, we receive compensation from the third-party exchanges that have connected to our Exchange Aggregator. We have engaged in a review process for the digital assets available to be traded through the Exchange Aggregator on our platform, and based on that review process, we have created two separate fee structures for the exchanges utilizing the Exchange Aggregator. We charge our third-party providers a

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monthly subscription fee for exchanges made by U.S. persons trading digital assets. For exchanges made by non-U.S. persons, we charge our third-party providers a percentage of the digital assets exchanged. We believe that we may also charge exchanges on which U.S. persons trade digital assets a percentage of digital assets exchanged that we have determined are not securities. It is possible, however, that the SEC or another regulator could disagree with our position regarding which digital assets are not securities should we decide to utilize such pricing. If that were the case, it is possible that a receipt of compensation based on the percentage of digital assets exchanged could be deemed to be the receipt of transaction-based fees for facilitating transactions in unregistered securities, and that we could be found to be facilitating or engaged ourselves and in violation of the federal and state securities laws which could have a negative effect on our business, financial condition and results of operations.

***We do not believe we have an obligation to register as a transfer agent under the Exchange Act, but a regulator may disagree.***

It is possible that we could be viewed as a transfer agent for purposes of federal or state law. Because our platform allows our users to connect through APIs to exchanges that permit the transfer of digital assets, it is possible that if such digital assets were deemed to be securities, the SEC or another regulator could determine that we have acted as a transfer agent. We do not consider ourselves a transfer agent under the Exchange Act because our platform does not provide the services described in the definition of a “transfer agent” under the Exchange Act. However, it is possible that the SEC or another regulator could disagree with our position. If that were the case, we could be forced to register as a transfer agent and comply with applicable law, which could lead to us experiencing significant costs and could force us to change or cease our operations. Any of these developments could have a negative effect on our business, financial condition and results of operations.

***We do not believe we have an obligation to register with the SEC as a clearing agency, though the SEC may disagree.***

We have taken the position that we are not a clearing agency under the Exchange Act because the Exodus Platform does not provide the services described in the definition of a clearing agency under the Exchange Act. However, it is possible that the SEC or another regulatory agency could disagree with our position. If so, we could be forced to register as a clearing agency and comply with applicable law, which could lead to significant costs and could force us to change or cease our operations. Any of these developments could have a negative effect on our business, financial condition and results of operations.

***We do not believe we have an obligation to register the platform as an exchange or alternative trading system, though a regulator may disagree.***

Exchanges and alternative trading systems (“ATs”) are networks that constitute, maintain or provide a marketplace or facilities to aggregate orders of multiple purchasers and sellers of securities by displaying trading interests entered on the system to users through consolidated quote screens or receiving orders for processing and execution. This does not include systems that have only one seller for each security (e.g., the issuer), even if there are multiple buyers. Entities that are engaged as an exchange or ATS, with respect to securities, are subject to federal registration and significant regulatory oversight by the SEC and Financial Industry Regulatory Authority (“FINRA”). We do not consider ourselves an exchange or ATS because our platform does not provide the services that are undertaken by an exchange or ATS; however, it is possible that the SEC or another regulator could disagree with our position and require us to register and comply with applicable law, which could lead to significant costs and could force us to change or cease our operations.

***We do not consider ourselves a statutory underwriter under the Securities Act, though a regulator may disagree.***

We do not believe staking services offered to users of the Exodus Platform through third-party applications, such as Everstake, are deemed to be securities offerings. If a regulator were to disagree, we could be deemed a “statutory underwriter” under Section 2(a)(11) of the Securities Act and subject to additional regulatory obligations which could have a negative effect on our business, financial condition and results of operations.

***We are not registered as a money transmitter or money services business, and our business may be adversely affected if we are required to do so.***

It is possible that we could be found to be a money services business (“MSB”) at the federal level and/or a money transmitter at the state level. MSBs include, among other businesses, a person providing money transmission services such as the acceptance and transmission of currency, funds or other value that substitutes for currency from one

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person another location or person by any means. Because of the breadth of this definition, Financial Crimes Enforcement Network (“FinCEN”) regulations state that whether a person is a money transmitter is ultimately a facts and circumstances determination. In addition to registration obligations at the federal level, virtually every U.S. state (and the District of Columbia) requires entities providing money transmission services to be licensed by the appropriate state agency responsible for the supervision of financial institutions. State laws regulating money transmission are not uniform, but generally define money transmission to include the acceptance and transmission of money or monetary value to a location within or outside the United States by any means.

FinCEN has provided guidance indicating that without having total independent control over the value in users’ wallets, and where the value stored in the wallet is the property of the owner, such a business may fall outside the scope of MSB registration requirements. We believe that we do not meet the definition of a MSB because Exodus does not exercise total independent control over the value in our users’ wallets, accept or transmit virtual currency on behalf of any user or otherwise act as an intermediary for exchange of currencies by taking possession of such digital assets. For the same reasons, we believe we are outside the scope of state licensing requirements of a money transmitter. However, if we were deemed to be an MSB, at the federal level, and/or a money transmitter at the state level, we could be subject to significant additional regulation, which could affect our business and operations.

***Due to the revenue structure for our Exchange Aggregator, we could be deemed a broker-dealer if certain digital assets were deemed to be securities, and we would likely experience difficulty in complying with the broker-dealer financial responsibility rules.***

It is possible that our activities with respect to digital assets would cause us to be viewed as a “broker” or “dealer” under federal or state law. Because some digital assets may be considered securities by regulators in the future, the fees we receive from exchanges could potentially raise regulatory issues related to whether the recipient of the fees is required to register as a broker-dealer under the Exchange Act. We believe that our fee structure does not require us to register as a broker-dealer, however, there is no guarantee that regulatory agencies will ultimately agree with our position, and we may be required to stop offering access to such digital assets.

If we were deemed to be a broker-dealer, as defined in the federal securities laws, we would have to comply with a number of regulatory requirements, including compliance with regulations that govern broker-dealer financial responsibility, such as Exchange Act Rule 15c3-3(b), which relates to establishing and maintaining physical possession or control of a user’s digital asset securities. It is likely that we would experience significant challenges in attempting to comply with these regulations and may not be able to achieve such compliance. Due to the nature of digital asset securities, if we were deemed to be a broker-dealer, it would likely be difficult for us to comply with the requirements to obtain and maintain physical possession or control of all fully paid or excess securities carried for the account of users. In addition, obtaining an exemption from such custody rules would likely result in significant financial costs and management resources and we may not be able to obtain such an exemption. For example, in the ATS Role in the Settlement of Digital Asset Security Trades, SEC Staff No-Action Letter (Sep. 25, 2020), the SEC Staff described an acceptable process for regulated self-custodial ATS exchanges, but such process would be costly to implement and operate. It is likely that we would not be able to implement and operate such a process. Should we be deemed to be a broker-dealer, and should we not be able to either obtain an exemption from or implement acceptable processes for compliance with the broker-dealer financial responsibility rules, we would be deemed not in compliance with the appropriate broker-dealer regulations. Such non-compliance would likely have a materially adverse effect on our business and financial operations.

***Failure to comply with anti-bribery and anti-corruption laws and similar laws, could subject us to penalties and other adverse consequences.***

We are subject to the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”), the U.S. domestic bribery statute contained in 18 U.S. Code § 201 and possibly other anti-bribery and anti-corruption laws in countries outside of the United States where we conduct our activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted to prohibit companies, their employees, agents, representatives, business partners and third-party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector.

We sometimes leverage third parties to sell our products and conduct our business abroad. Exodus, our team members, agents, representatives, business partners and third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies, or state-owned or affiliated entities and we may

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be held liable for the corrupt or other illegal activities of such parties even if we do not explicitly authorize such activities. As we increase our international sales and business, our risks under these laws may increase.

Any allegations or violation of the FCPA or other applicable anti-bribery and anti-corruption laws could result in whistleblower complaints, sanctions, settlements, prosecution, enforcement actions, fines, damages, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, suspension or debarment from government contracts, all of which may have an adverse effect on our reputation, business, results of operations and prospects. Responding to any investigation or action will likely result in a materially significant diversion of management's attention and resources, significant defense costs and other professional fees.

### ***Privacy concerns and laws or other domestic or foreign regulations may reduce the effectiveness of our platform and adversely affect our business.***

We may be subject to a variety of foreign laws and regulations that involve matters central to our business. Although we believe we are operating in compliance with the laws of jurisdictions in which Exodus exists, these laws and regulations are evolving, may impose inconsistent or conflicting standards among jurisdictions, can be subject to significant change and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions.

Aspects of the General Data Protection Regulation ("GDPR"), California Consumer Privacy Act ("CCPA"), Swiss Secretariat for Economic Affairs ("SECO") and other laws, regulations, industry standards and other obligations related to privacy, data protection and data security remain uncertain. As such, compliance may require us to incur additional costs, modify our data handling practices and restrict our business operations. It is also possible that these laws, regulations, industry standards and other obligations may be interpreted and applied in a manner that is, or is alleged to be, inconsistent with our policies and procedures, the Exodus Platform or our services. If so, in addition to the possibility of fines, lawsuits and other claims, we could be required to modify the Exodus Platform or services or make changes to our business activities and practices. We may be unable to make such changes and modifications in a commercially reasonable manner, or at all, and our ability to develop new offerings and features could be limited.

We expect that there will continue to be new proposed laws, regulations and standards relating to privacy and data protection in various jurisdictions, and we cannot determine the impact such laws, regulations and standards may have on our business.

### ***We are subject to export control, import and sanctions laws and regulations that could impair our ability to compete in international markets or subject us to liability if we violate such laws and regulations.***

Under U.S. export control and sanctions laws and regulations, including the U.S. Department of Commerce's Export Administration Regulations ("EAR") and various economic and trade sanctions administered by the USDT Office of Foreign Assets Control ("OFAC"), our business activities are subject to various restrictions related to the sale or supply of certain products and services to U.S. embargoed or sanctioned countries, governments, persons and entities and require authorization for the export of certain encryption items. Although we take precautions to prevent our software and services from being accessed or provided in violation of such laws, we may have previously allowed our software to be downloaded by individuals or entities potentially located in countries or territories subject to U.S. trade embargoes, potentially in violation of U.S. sanctions laws. In December 2018, we received an administrative subpoena issued by OFAC seeking information regarding potential transactions with individuals in Iran. In response, we conducted a comprehensive review that covered all countries and territories subject to U.S. trade embargoes administered by OFAC. We submitted a voluntary self-disclosure and subpoena response regarding potential violations to OFAC, and took remedial action designed to prevent similar activity from occurring in the future. Additionally, in March 2021, we received a second administrative subpoena issued by OFAC seeking information regarding potential transactions with certain North Korean cyber actors, to which we have responded. If we are found to be in violation of U.S. economic sanction laws, it could result in fines and penalties. We may also be adversely affected through reputational harm. Further, the controls we have implemented may not be fully effective and there is no guarantee that we will not inadvertently provide software or services to sanctioned parties in the future. The administrative subpoena responses and voluntary self-disclosure are currently under review by OFAC. In addition, various countries regulate the import of certain software and technology and have enacted permitting and licensing

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requirements that could limit our ability to distribute our software in those countries. If we were to fail to comply with the applicable import or export control laws, economic sanctions or other applicable laws, we could be subject to penalties which could be material to our business, operating results and prospects and could also harm our reputation.

***The limited rights of legal recourse available to us expose us and our investors to the risk of loss of our Bitcoin for which no person is liable.***

At this time, there is no specifically enumerated U.S. or foreign governmental, regulatory, investigative or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen digital assets. Although law enforcement agencies like the Federal Bureau of Investigation (“FBI”) have recovered stolen Bitcoin, recovery efforts have been labor intensive. To the extent that we are unable to recover our losses from such action, error or theft, such events could have a material adverse effect on our business, prospects, operations and potentially the value of any Bitcoin we acquire or hold for our own account.

### **Risks Related to Ownership of Our Common Stock**

***The market prices and trading volume of our shares of Class A common stock may experience rapid and substantial price volatility which could cause purchasers of our Class A common stock to incur substantial losses.***

Shares of our Class A common stock may experience rapid and substantial price and trading volume volatility unrelated to our financial performance, which could cause purchasers of our Class A common stock to incur substantial losses. Extreme fluctuations in the market price and trading volume of our Class A common stock may occur in response to:

- strong and atypical retail investor interest, including on social media platforms and online forums;
- direct access by retail investors to broadly available trading platforms;
- the amount and status of short interest in our securities;
- access to margin debt;
- trading in options, derivatives or any other related hedging on our Class A common stock;
- actual or anticipated variations in our operating and financial performance, including projected operational and financial results and failure to meet those projections;
- our inability to pay dividends or other distributions or repurchase shares of our common stock;
- changes in market valuations of similar companies;
- market reaction to any additional equity, debt or other securities that we may issue in the future, and which may or may not dilute the holdings of our existing stockholders;
- any major change in our board of directors, management or key personnel;
- actions by institutional or significant stockholders;
- speculation in the press or investment community about our company or industry;
- strategic actions by us or our competitors, such as acquisitions or other investments;
- legislative, administrative, regulatory or other actions affecting our business or industry, including positions taken by the IRS;
- investigations, proceedings or litigation that involve or affect us;
- the occurrence of any of the other risk factors included in this Report;
- general market and economic conditions; and
- other trading factors.

We cannot assure you that the market price and trading volume of our Class A common stock will not fluctuate or decline significantly in the future, in which case you could incur substantial losses. Further, the market price and trading volume of our shares of Class A common stock may fluctuate dramatically regardless of any developments in our business.

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### ***There is limited trading market for our Class A common stock.***

There is a limited public market for our Class A common stock. The shares of Class A common stock trade on the OTCQB under the symbol “EXOD”. An active trading market for our Class A common stock may not be sustained. In the absence of an active public trading market you may not be able to sell our shares in open market transactions. An inactive market may also impair our ability to raise capital to fund operations by selling Class A common stock and may impair our ability to make strategic investments by using our Class A common stock as consideration. In addition, the market price of our Class A common stock may fluctuate significantly.

### ***We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our Class A common stock.***

We have never declared or paid any cash dividends on our capital stock, and we do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

### ***The dual class structure of our common stock has the effect of concentrating voting control with certain stockholders, including our executive officers, team members and directors and their affiliates, which will limit your ability to influence the outcome of important transactions, including a change in control.***

Our authorized common stock is divided into two series, denominated as “Class A common stock” and “Class B common stock.” Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or our amended and restated certificate of incorporation.

The stockholders holding shares of Class B common stock collectively beneficially own shares representing approximately 98% of the voting power of our outstanding capital stock. Jon Paul Richardson and Daniel Castagnoli, each an executive officer and director of the Company, control approximately 85% of the voting power of our outstanding capital stock. Because of our dual class structure, we anticipate that, for the foreseeable future, these individuals will continue to be able to control all matters submitted to our stockholders for approval, including the election and removal of directors.

These holders of Class B common stock may vote in a way which may be adverse to your interests. This concentrated control may have the effect of delaying, preventing or deterring a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of our company and might ultimately affect the market price of our Class A common stock.

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain transfers described in our amended and restated Certificate of Incorporation, including, without limitation, transfers for tax and estate planning purposes, so long as the transferring holder of Class B common stock continues to hold exclusive voting and dispositive power with respect to the shares transferred. All shares of Class B common stock will convert automatically into shares of Class A common stock upon the date on which the Class B common stock ceases to represent at least 10% of the total voting power of our outstanding common stock. The conversion of shares of Class B common stock into shares of Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term, which may primarily include our executive officers and directors.

### ***Provisions of our Certificate of Incorporation and our By-Laws could discourage potential acquisition proposals and could deter or prevent a change in control.***

Certain provisions of our amended and restated Certificate of Incorporation and our amended and restated By-Laws could have the effect of delaying, deferring or discouraging another person from acquiring control of our company, delaying or preventing changes in control of our management team, board of directors, governance or policy and could limit the price that some investors might be willing to pay for shares of our common stock. These provisions: prohibit our stockholders from calling special meetings of our stockholders; include the absence of cumulative voting; authorize our board of directors to designate and issue one or more series of preferred stock without

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stockholder approval, the terms of which may be determined at the sole discretion of our Board of Directors; reflect the dual class structure for our common stock; and restrict the forum for certain litigation against us to certain federal or Delaware state courts. These provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our board of directors determines is in our best interests and that of our stockholders.

***We are not subject to the provisions of Section 203 of the Delaware General Corporation Law, which could negatively affect your investment.***

In general, Section 203 of the Delaware General Corporation Law (“Section 203”) prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. We elected in our amended and restated certificate of incorporation to not be subject to the provisions of Section 203. This may make us more vulnerable to takeovers that are completed without the approval of our board of directors and/or without giving us the ability to prohibit or delay such takeovers as effectively.

***The Company is currently a “controlled company” within the meaning of the rules of the national securities exchanges and, as a result, qualifies for and could rely on, exemptions from certain corporate governance requirements.***

Our directors and officers currently have beneficial ownership of a majority of the total voting power. As a result, we would be considered a “controlled company” within the meaning of the corporate governance standards of the national securities exchanges and may be exempt from certain stock exchange corporate governance requirements, which include (i) the requirement that a majority of the board consists of independent directors, (ii) the requirement that the Company’s nominating and corporate governance committee consists entirely of independent directors and (iii) the requirement that the Company’s compensation committee consists entirely of independent directors. If we were to elect to be exempt from some or all corporate governance requirements, you may not have the same protections afforded to stockholders of companies that are subject to all corporate governance requirements of a national securities exchange.

[TABLE OF CONTENTS](#)**Item 2. Financial Information****Management’s Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion and analysis of our results of operations and financial condition should be read in conjunction with the consolidated financial statements and accompanying notes included in Item 13 of this Report, which includes additional information about our accounting policies, practices and the transactions underlying our financial results.

**Overview of Our Business**

We are engaged principally in the business of creating and distributing self-custodial wallets for digital assets. Our profitability is dependent on a number of factors including the pricing of digital assets, the volume of transactions and the quality of our third-party relationships.

- Our revenues are primarily derived from digital asset related transactions and consist of fees from third party API agreements. Our expenses primarily consist of:
- Cost of revenues (primarily include software development, user support and security and wallet operations);
- Depreciation expense relating to software development; and
- General and administrative expenses.

**Results of Operations**

(in thousands, except percentages)	Years Ended December 31,			
	2023	2022	\$ Change	% Change
<b>OPERATING REVENUES</b>	\$56,185	\$ 50,606	\$ 5,579	11%
<b>COST OF REVENUES</b>	<u>30,517</u>	<u>28,677</u>	<u>1,840</u>	<u>6</u>
<b>GROSS PROFIT</b>	<u>25,668</u>	<u>21,929</u>	<u>3,739</u>	<u>17</u>
<b>OPERATING EXPENSES</b>				
General and administrative	18,505	28,086	(9,581)	(34)
(Gain) impairment on digital assets, net	(1,431)	18,308	(19,739)	(108)
Impairment on assets	<u>207</u>	<u>500</u>	<u>(293)</u>	<u>(59)</u>
Total operating expenses	<u>17,281</u>	<u>46,894</u>	<u>(29,613)</u>	<u>(63)</u>
Income (loss) from operations	8,387	(24,965)	33,352	(134)
<b>OTHER INCOME</b>				
Staking rewards	72	151	(79)	(52)
Unrealized gain on investments	248	295	(47)	(16)
Interest income	<u>2,174</u>	<u>427</u>	<u>1,747</u>	<u>409</u>
Total other income	<u>2,494</u>	<u>873</u>	<u>1,621</u>	<u>186</u>
Income (loss) before income taxes	10,881	(24,092)	34,973	(145)
<b>INCOME TAX BENEFIT</b>	<u>1,905</u>	<u>946</u>	<u>959</u>	<u>101</u>
<b>NET INCOME (LOSS)</b>	<u>\$12,786</u>	<u>\$(23,146)</u>	<u>\$ 35,932</u>	<u>(155)</u>
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>				
Foreign currency translation adjustment	<u>(783)</u>	<u>94</u>	<u>(877)</u>	<u>(933)</u>
<b>COMPREHENSIVE INCOME (LOSS)</b>	<u>\$12,003</u>	<u>\$(23,052)</u>	<u>\$ 35,055</u>	<u>(152)%</u>

**Year Ended December 31, 2023 Compared with Year Ended December 31, 2022**

Total revenue increased \$5.6 million, or 11%, in 2023 when compared with 2022. The increase was primarily driven by an increase in revenue from the exchange aggregation and fiat onboarding of \$3.3 million and \$1.8 million, respectively, due to an increase in monthly active users (“MAUs”) of 22% as well as an increase in exchange provider processed volume of 4%.

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Cost of revenues increased \$1.8 million, or 6%, in 2023, when compared with 2022. The increase was primarily driven by increases in cloud infrastructure services of \$1.5 million which was due to increased database capacity as a result of the continued expansion of our platform and new users, depreciation and amortization of \$1.1 million, and lower capitalized labor of \$1.8 million offset by decreases in employee compensation and benefit expense of \$1.7 million as a result of lower headcount, tech subscriptions of \$0.3 million, consulting of \$0.2 million and other miscellaneous expenses of \$0.4 million.

General and administrative expenses in 2023 decreased \$9.6 million, or 34%, compared to 2022. This decrease was primarily due to decreases in marketing & advertising expenses of \$8.9 million due to the change in marketing strategies, foreign currency expense of \$1.3 million and employee compensation and benefit expenses of \$1.0 million as a result of lower headcount offset by increases in legal and consulting expenses of \$1.6 million.

For 2023, there was a gain on settlement of digital assets of \$5.0 million compared to a gain on settlement of digital assets of \$3.4 million in 2022, as assets were sold for greater than their carrying value. For 2023, there was an impairment on digital assets of \$3.6 million compared to \$21.7 million in 2022, primarily related to impairment of bitcoin for both years, as price volatility on digital assets improved in 2023.

Impairment of assets of \$0.2 million in 2023 was related to the write off of our investment in tZERO Technologies, LLC (“tZERO”) as a result of the Company forfeiting vested shares. Impairment of assets of \$0.5 million in 2022 was primarily driven by the impairment of our investment in Magic Eden of \$0.4 million.

Income tax benefit was \$1.9 million in 2023 compared to a benefit of \$0.9 million for the same period in 2022. The effective tax rate during 2023 was (17.3)% compared to 4.3% in 2022. The benefit during 2023 was primarily driven by the increased level of pre-tax income.

### **Liquidity and Capital Resources**

Our primary liquidity needs include payment of our operating costs, which consist primarily of compensation and benefit expenses and security costs. Our primary sources of funding are operating cash flows.

#### ***Cash Flows***

The following table summarizes Exodus’ cash flows for the periods indicated (in thousands):

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>\$ Change</u>
Cash provided by (used in)			
Operating activities	\$ 692	\$ 44,420	\$(43,728)
Investing activities	(9,128)	(32,059)	22,931
Financing activities	(682)	2,758	(3,440)
Net change in cash and cash equivalents	<u>\$(9,118)</u>	<u>\$ 15,119</u>	<u>\$(24,237)</u>

#### ***Net Cash from Operating Activities***

During the year ended December 31, 2023, cash from operating activities decreased by \$43.7 million, compared with the same period in 2022. The change was primarily related to a decrease in non-cash activities settled in digital assets and USDC of \$56.9 million which consisted of \$48.1 million of conversion of digital assets and USDC to cash to fund operations and \$1.9 million related to payroll expense settled in digital assets which is included in digital asset, expenses as discussed in the non-cash activities settled in digital assets and USDC in Note 6, “Intangible Assets”. Also driving the decrease was \$19.7 million of net decrease in (gain) impairment on digital assets, net offset by an increase in net income of \$35.9 million.

#### ***Net Cash from Investing Activities***

Cash used in investing activities decreased by \$22.9 million during 2023 when compared with the prior-year period. Our primary use of cash in investing activities is for the purchase and redemption of treasury bills.

#### ***Net Cash from Financing Activities***

Cash used in financing activities increased by \$3.4 million during 2023 when compared with the prior-year period. Financing activities during 2023 represent our repurchase of shares to pay employee withholding taxes as a part of

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our 2021 Equity Incentive Plan (the “2021 Plan”). Financing activities in 2022 consisted of proceeds from a note receivable of \$3.0 million, partially offset by \$0.5 million of repurchase of shares to pay employee withholding taxes as a part of our 2019 Equity Incentive Plan (the “2019 Plan”) and the 2021 Plan.

### ***Total Digital Assets and Liquid Assets***

The Company holds the following cash, USDC, treasury bills and digital asset holdings as of December 31, 2023 and December 31, 2022 (in thousands):

	Units	Carrying Value	Quoted Prices Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
December 31, 2023					
Bitcoin	1,787	\$32,262	\$75,050	\$—	\$—
Ethereum	2,538	2,022	5,739	—	—
Other digital assets	4,625,187	<u>726</u>	2,443	—	—
Digital assets, net		<u>\$35,010</u>			
December 31, 2022					
Bitcoin	1,391	\$17,549	\$22,974	\$—	\$—
Ethereum	2,538	2,022	3,031	—	—
Other digital assets	4,288,471	<u>731</u>	768	—	—
Digital assets, net		<u>\$20,302</u>			
		Carrying Value	Quoted Prices Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
December 31, 2023					
Cash and cash equivalents		\$11,376	\$11,376	\$—	\$—
USDC		517	517	—	—
Treasury bills		<u>43,151</u>	43,151	—	—
Total liquid assets		<u>\$55,044</u>			
December 31, 2022					
Cash and cash equivalents		\$20,494	\$20,494	\$—	\$—
Treasury bills		<u>31,981</u>	31,981	—	—
Total liquid assets		<u>\$52,475</u>			

### ***Material Capital Commitments***

Exodus currently has no material commitments for capital expenditures. At this time, we currently believe that our cash on hand, as well as the sources of liquidity described above, will be sufficient to fund our operations through the next twelve months and thereafter for the foreseeable future.

### ***Critical Accounting Estimates***

Our discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of the consolidated financial statements requires management to make estimates and judgments that affect the reported amounts in our consolidated financial statements and accompanying notes.

Certain of our accounting policies, as discussed below, involve a higher degree of judgment and complexity in their application and, therefore, represent the critical accounting policies used in the preparation of our consolidated financial statements. If different assumptions or conditions were to prevail, the results could be materially different from our reported results. For additional discussion of our critical accounting policies and estimates, as well as our significant accounting policies, see Note 2, “Summary of Significant Accounting Policies”.

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### *Income Taxes*

We determined that income taxes involve critical estimates based on management's significant judgments to determine our provision for income taxes, deferred tax assets and liabilities, and any valuation allowance recorded against deferred tax assets, including for example, compliance with the 2017 United States Tax Cuts and Jobs Act. To the extent that our estimates and assumptions materially change, or if actual circumstances differ materially from those in the assumptions, our financial statements could be materially impacted.

We utilize the asset and liability method for computing our income tax provision. Deferred tax assets and liabilities reflect the expected future consequences of temporary differences between the financial reporting and tax bases of assets and liabilities as well as operating loss, capital loss and tax credit carryforwards, using enacted tax rates. We assess the likelihood that our deferred tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not likely, we establish a valuation allowance. Assessing the need for a valuation allowance requires a great deal of judgement and we consider all available evidence to determine whether it is more likely than not that our deferred tax assets are recoverable. We evaluate all available evidence including, history of earnings and losses, taxable income forecasts and whether the evidence is objective. See Note 10, "Income Taxes".

We recognize the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be maintained by the examination of taxing authorities. The tax benefits recognized from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. Interest and penalties related to unrecognized tax benefits are recognized within the provision for income taxes. See Note 10, "Income Taxes".

For U.S. federal tax purposes, digital asset transactions are treated for tax purposes by recognizing a gain or loss when digital assets are exchanged, in the amount of the difference between the fair market value of the property received and the tax basis of the exchanged digital assets. Receipts of digital assets in exchange for goods or services are included in taxable income at the fair market value on the date of receipt.

### **Item 3. Properties**

We operate completely remotely and do not maintain a physical corporate headquarters. We believe that our remote working operations are adequate to meet our needs for the immediate future, and that, if necessary, suitable physical space will be available to accommodate any expansion of our operations.

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**Item 4. Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of December 31, 2023 for (i) each of our directors and named executive officers (“NEOs”) on an individual basis and our directors and executive officers on a group basis and (ii) any securityholder who beneficially owns more than 5% of either class of our common stock.

We have determined beneficial ownership in accordance with the rules of the SEC. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable.

The table is based upon information derived from our stock records. We have based our calculation of the percentage of beneficial ownership on 4,320,005 shares of Class A common stock and 21,760,855 shares of Class B common stock outstanding.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Exodus Movement, Inc., 15418 Weir Street, #333, Omaha, NE 68137.

Name and Address of Beneficial Owner	Class A Common Stock		Class B Common Stock		Total Voting Power % <sup>(1)</sup>
	Shares	% of Ownership	Shares	% of Ownership	
<b><i>Directors and Named Executive Officers</i></b>					
Jon Paul Richardson	154,516 <sup>(4)</sup>	3.6%	9,297,537	42.7%	42.0%
Daniel Castagnoli	141,071 <sup>(5)</sup>	3.3%	9,454,413	43.5%	42.7%
Veronica McGregor	49,087 <sup>(6)</sup>	1.1%	—	—	•
Margaret Knight	2,083 <sup>(7)</sup>	•	—	—	•
Carol MacKinlay	—	—	—	—	—
Tyler Skelton	—	—	—	—	—
All executive officers and directors as a group	459,266 <sup>(8)</sup>	10.6%	18,751,950	86.2%	84.7%
<b><i>5% or more Shareholders</i></b>					
Alameda Research Ventures LLC <sup>(2)</sup>	1,823,486	42.2%	—	—	•
AIC Capital LLC <sup>(3)</sup>	364,698	8.4%	—	—	•

• Represents beneficial ownership or voting power of less than 1%

(1) Percentage total voting power represents voting power with respect to all outstanding shares of our Class A common stock and Class B common stock, voting as a single class.

(2) Alameda Research Ventures LLC filed for bankruptcy in November 2022. The business address of Alameda Research Ventures LLC is 2000 Center Street, Floor 4, Berkeley, California 94704, United States.

(3) Silvio Micali has voting and investment control of the shares held by AIC Capital LLC and may be deemed to beneficially own the securities owned by AIC Capital LLC. The business address of AIC Capital LLC is c/o Campbells, Floor 4, Willow House, Cricket Square, George Town, Grand Cayman KY1-9010, Cayman Islands.

(4) Includes 29,089 shares of Class A Common Stock vesting 60 days after the year ended December 31, 2023.

(5) Includes 29,089 shares of Class A Common Stock vesting 60 days after the year ended December 31, 2023.

(6) Includes 9,837 shares of Class A Common Stock vesting 60 days after the year ended December 31, 2023.

(7) Includes 833 shares of Class A Common Stock vesting 60 days after the year ended December 31, 2023.

(8) Includes 89,643 shares of Class A Common Stock vesting 60 days after the year ended December 31, 2023.

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**Item 5. Directors and Executive Officers**

The name, age, position and a description of the business experience of each of our executive officers and directors is provided below. There is no family relationship between or among the executive officers and directors. Our directors are appointed to hold office until the next annual meeting of stockholders and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Our officers are appointed by our board of directors and hold office until removed by the board, subject to any respective employment agreements.

Name	Age	Position
<b><i>Directors and Executive Officers</i></b>		
Margaret Knight	45	Director
Carol MacKinlay	61	Director
Tyler Skelton	38	Director
Jon Paul Richardson	40	Chief Executive Officer and Director
Daniel Castagnoli	47	Director, President of our wholly-owned subsidiary, 3ZERO LLC ("3ZERO")
James Gernetzke	47	Chief Financial Officer and Secretary
Veronica McGregor	61	Chief Legal Officer
Matias Olivera	31	Chief Technology Officer
<b><i>Significant Employees</i></b>		
John Staker	49	Vice President Infrastructure and Security
Zanmei Yam	32	Vice President Community Support and Customer Success

**Directors and Executive Officers**

*Margaret Knight* has served as our director since August 2023. Ms. Knight is currently chair of the Accounting and Business Intelligence & Analytics department, Director of the Master of Accounting Program and an Assistant Professor of Accounting at Creighton University's Heider College of Business. She earned her doctorate at Creighton University in 2018. Up until August 2016, Ms. Knight served as the chief financial officer for the primary and specialty care networks of physicians at CHI Health in Nebraska. She originally joined CHI Health (formerly Alegent Health) in 2008 as the system controller, where she oversaw accounting, financial reporting, budgeting, financial analysis, capital planning, benchmarking and decision support/cost accounting for the health system. Ms. Knight is a Certified Public Accountant in the State of Nebraska and is also a Chartered Global Management Accountant. Prior to her time at CHI Health, Ms. Knight spent seven years in public accounting; six of those years with KPMG. The Company values Ms. Knight for her considerable experience in accounting.

*Carol MacKinlay* has served as our Director since February 2024. Ms. MacKinlay formerly served as chief people officer at Binance.US, a U.S. digital asset exchange, from 2021 to January 2024, where she was responsible for global recruiting, talent management, employee engagement and corporate governance programs. Prior to that, Ms. MacKinlay worked as chief people officer at UserTesting, a video-first platform to experience how real people engage with products, designs and brands, from 2017 to 2021. She has also been a successful executive for Plantronics, a premier electronics manufacturer; Xero, a vendor of accounting software; Coverity, now the Software Integrity Group of Synopsis; and Matterport, a 3D media technology company. In these roles, she has created and executed programs to drive business strategy, achieve cost-efficiency, compensate fairly, promote inclusivity and develop world class company cultures. Ms. MacKinlay has also worked as a management and Board consultant with the KPMG financial strategy and executive compensation consulting teams and as a founder of Compensation and Performance Management, Inc, a boutique executive compensation consultancy. She holds a BA in Applied Mathematics from U.C. Berkeley and an MBA in Venture Management from the Marshall School of Business at USC. The Company believes Ms. MacKinlay's leadership experience and industry knowledge provides her with the necessary skills and qualifications to effectively serve the Company.

*Tyler Skelton* has served as our Director since February 2024. He has served at two New York digital asset limited purpose trust companies – head of finance at Gemini since January 2023 and chief financial officer at Bakkt from May 2019 to July 2021. Mr. Skelton led the finance team at Bakkt through its SPAC merger and IPO during 2021. Prior to his time at Bakkt, Mr. Skelton was the Director of eCommerce Finance from July 2016 to June 2019. He has a 20-year career in various financial services industries including digital assets, payments, banking and public

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accounting. Mr. Skelton is a Chartered Financial Analyst®, Certified Public Accountant in the state of Georgia and FRM Certified Professional. He holds a master's degree in economics from the University of North Carolina at Charlotte. We value Mr. Skelton's experience in the financial services industries along with his knowledge of accounting and digital assets.

*Jon Paul Richardson* has served as our chief executive officer and director since co-founding Exodus with Daniel Castagnoli in 2016. Previously Mr. Richardson served as our president from July 2016 until July 2019. Mr. Richardson holds a Bachelor of Science in electrical and computer engineering from the University of Nebraska – Lincoln. The Company values Mr. Richardson's leadership skills he brings as the Company's chief executive officer and co-founder and his extensive experience in the digital asset industry.

*Daniel Castagnoli* has served as a director since co-founding Exodus with Jon Paul Richardson in 2016. Since May 2023, he has served as president for our subsidiary, 3ZERO. Mr. Castagnoli previously served as president of Exodus Movement, Inc. from July 2019 to May 2023 and chief financial officer and secretary from July 2016 to March 2019. Prior to joining Exodus, Mr. Castagnoli designed experiences for Apple, BMW, Disney and Louis Vuitton. The Company believes Mr. Castagnoli's leadership experience and industry knowledge provides him with the necessary skills and qualifications to effectively serve the Company.

*James Gernetzke* has served as our chief financial officer since March 2019. Prior to joining Exodus, Mr. Gernetzke served as the chief financial officer of Banyan Medical Systems, Inc., a healthcare technology company, from February 2017 to May 2019, where he was responsible for all financial aspects of the company's business. Prior to that, Mr. Gernetzke served as director of finance at First Data Corporation from December 2015 to January 2017. Mr. Gernetzke is a registered Certified Public Accountant in the State of Illinois and holds a Bachelor of Science in accounting from Marquette University and a Master of Business Administration from Northwestern University Kellogg School of Management.

*Veronica McGregor* has served as chief legal officer since January 2022. Prior to joining Exodus, Ms. McGregor was the chief legal officer of ShapeShift from 2018 to 2021 where she managed in-house legal and compliance function, global legal strategy, governmental relations and regulatory affairs. Prior to that she was a partner at Goodwin Proctor from 2016 to 2018 and Hogan Lovells from 2014 to 2016 where she specialized in assisting companies navigate state and federal laws and regulations related to digital assets, among other things. Ms. McGregor has a Juris Doctor from University of California College of the Law, San Francisco, and a Bachelor of Arts in psychology from San Francisco State University.

*Matias Olivera* has served as chief technology officer since June 2022, and previously served as lead software engineer, engineering manager and director of engineering beginning in November 2019. Beginning in 2014, Mr. Olivera has worked as an open source developer at Github, contributing to multiple open source projects from companies including Airbnb, Facebook and Walmart. He has also spent time as a software engineer at various companies from 2015 to 2018. Mr. Olivera was a professor for web programming at Universidad Católica del Uruguay from 2015 to 2020. He graduated from Universidad Católica del Uruguay with a degree in computer engineering.

### **Significant Employees**

*John Staker* has served as vice president of infrastructure and security since May 2021 and previously served in support and development operation roles beginning in September 2017. Prior to joining Exodus, Mr. Staker served as the senior information technology officer for shipboard and shipyard operations within the maritime industry from 2007 to 2016. Mr. Staker has a Bachelor of Science in information systems from Latrobe University.

*Zanmei Yam* has served as vice president of community support and customer success since August 2021, and previously served as our interim head of support from May 2021 to July 2021, as APAC regional support manager from November 2020 to May 2021, and as an Exodus community support engineer from July 2019 to October 2020. Prior to joining Exodus, Ms. Yam served as a blockchain research consultant for Collective Ventures from 2018 to 2019. Prior to that, Ms. Yam served as a specialist for client services at Rohei Learning & Consulting from 2016 to 2017. Ms. Yam holds a Bachelor of Business and Communication from the Queensland University of Technology.

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**Item 6. Executive Compensation**

The primary objective of our executive compensation program is to attract and retain highly skilled and motivated executive officers that significantly contribute to the Company's success. The executive officers are expected to manage the Company to promote its growth and profitability, minimize risk and advance the interests of our shareholders. As such, the Company's compensation program is designed to provide levels of compensation that reflect the executive's role in the organization and reward the individual's performance within the context of the Company's performance.

We determine the appropriate level of each compensation element based, in part, but not exclusively, on our view of internal equity and consistency, performance, the competitive landscape and other information we deem relevant. We believe that equity-based awards are a motivator in attracting and retaining executives over the long-term, and that salary and cash bonuses are important considerations in the short-term.

**Summary Compensation Table**

The following table sets forth an overview of the compensation earned by the NEO's during the year ended December 31, 2023:

Name and Principal Position	Year	Salary	Bonus	Stock Awards <sup>(1)</sup>	All Other Compensation <sup>(2)</sup>	Total
Jon Paul Richardson <i>Director, Chief Executive Officer</i>	2023	\$425,000	\$ —	\$1,500,000	\$ 7,682	\$1,932,682
Daniel Castagnoli <i>Director, President of 3ZERO</i>	2023	335,000	—	1,500,000	7,331	1,842,331
Veronica McGregor <i>Chief Legal Officer</i>	2023	500,000	208,288	500,002	19,100	1,227,390

(1) Amounts represent the aggregate grant date fair value of restricted stock units ("RSUs") granted in 2023 pursuant to the Company's 2021 Plan in accordance with Accounting Standards Codification Topic 718 ("ASC Topic 718"), calculated based on the average closing price, as quoted on tZERO, of the Class A Common Stock on the applicable due date of the grant, which was \$2.40 on January 1, 2023.

(2) All other compensation includes employee wellness and executive perks.

**Narrative Disclosures to Summary Compensation Table**

We generally set annual base salaries for the executive officers based on the executive's experience, individual performance for the prior year and our prior year financial results, and we also consider comparative peer salary data. We believe that base salaries are set at levels that enable us to hire and retain individuals in the FinTech industry who can drive achievement of the Company's overall objectives. Bonuses include guaranteed cash incentives.

We entered into an employment letter agreement with Ms. McGregor in November 2021. Ms. McGregor's employment letter agreement has no specific term and provides that Ms. McGregor is an at-will employee. Ms. McGregor's current annual base salary is \$500,000 per year.

On January 1, 2023, each NEO received a grant of RSUs that vest in equal monthly installments on the first of each month over four years, subject to continued service through each such vesting date.

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**Outstanding Equity Awards as of December 31, 2023**

The following table sets forth an overview of the RSU awards outstanding at December 31, 2023:

Name	Stock Awards	
	Number of shares or units of stock that have not vested	Market value of shares or units of stock that have not vested <sup>(1)</sup>
Jon Paul Richardson	38,110 <sup>(2)</sup>	\$ 94,894
	481,771 <sup>(3)</sup>	1,199,610
Daniel Castagnoli	38,110 <sup>(2)</sup>	94,894
	481,771 <sup>(3)</sup>	1,199,610
Veronica McGregor	14,468 <sup>(4)</sup>	36,025
	160,591 <sup>(3)</sup>	399,872

(1) Based on the \$2.49 closing price of a share of Class A Common Stock on December 11, 2023, the last day of the Company's 2023 fiscal year on which there was trading, as quoted on tZERO

(2) These RSUs vest in equal monthly installments through January 1, 2026.

(3) These RSUs vest in equal monthly installments through January 1, 2027.

(4) These RSUs vest in equal monthly installments through January 4, 2026.

**Additional Narrative Disclosure**

Under the award agreements governing the outstanding RSUs held by the NEOs, in the event of a change in control of the Company or the NEO's termination as a result of a death or disability, all outstanding RSUs will become fully vested. In addition, in the event of the NEO's termination by the Company without cause or as a result of the NEO's retirement (resignation after attaining age 62 with five years of service), the RSUs schedule to vest in the month in which such termination occurs will become vested. Thereafter, any nonvested RSUs will be forfeited.

**Director Compensation**

As of December 31, 2023, our board of directors was comprised of one independent director and two members of our management team. We compensate our non-employee director, Ms. Knight, with both cash and equity compensation in accordance with the terms of the offer letter. Cash compensation includes an annual retainer of \$60,000, which is paid in Bitcoin in equal monthly installments on the first day of each calendar month. Pursuant to the 2021 Plan, Ms. Knight was granted 10,000 RSUs in August 2023, which vests on a monthly basis in equal installments over a two-year period beginning on August 31, 2023, subject to her continued service on our board of directors. Subsequent to December 31, 2023, we added two new independent directors, Carol MacKinlay and Tyler Skelton, to our board of directors.

The following table sets forth amounts earned by our independent director during the year ended December 31, 2023:

Name	Fees Earned (\$)	Stock Awards (\$) <sup>(1)</sup>	Total
Margaret Knight	\$20,000	\$36,700	\$56,700

(1) Amount represents the aggregate grant date fair value of RSUs granted in 2023 pursuant to the Company's 2021 Plan in accordance with ASC Topic 718, calculated based on the average closing price, as quoted on tZERO, of the Class A Common Stock on the applicable date of grant, which was \$3.67 on September 1, 2023. As of December 31, 2023, Ms. Knight held 8,750 unvested RSUs.

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**Item 7. Certain Relationships and Related Transactions, and Director Independence**

Other than described under “*Item 6. Executive Compensation*”, there have not been, and there is not currently proposed, any transaction or series of similar transactions to which we were or will be a participant in which the amount involved exceeded or will exceed the lesser of \$120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years, and in which any director, executive officer, holder of 5% or more of any class of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest.

**Director Independence**

Our Board is currently composed of five members, three of whom, Ms. Knight, Ms. MacKinlay and Mr. Skelton, would be deemed to be independent under the criteria established by the independence standards of OTCQB and the New York Stock Exchange.

The Company does not currently have an audit committee, compensation committee or a nominating and corporate governance committee. However, our board of directors intends to establish an audit committee composed entirely of independent directors. The purpose of the audit committee will be to represent and assist the Board in discharging its oversight responsibility relating to: (i) the accounting and financial reporting processes of the Company and its subsidiaries, including the audits of the Company’s financial statements and the integrity of the financial statements; (ii) the Company’s compliance with legal and regulatory requirements; and (iii) the outside auditor’s qualifications, independence and performance; and (iv) the design and implementation of the Company’s internal audit function.

**Item 8. Legal Proceedings**

The information required with respect to this item can be found in Note 11, “Commitments and Contingencies” of our consolidated financial statements included in Item 13 of this Report.

**Item 9. Market Price of and Dividends on the Registrant’s Common Equity and Related Stockholder Matters**

**Market information.**

In January 2024, our Class A Common Stock was listed for quotation on the OTCQB under the symbol “EXOD”. OTC Markets approval was received in January 2024 and in January the initial qualifying deposit was made and initial trades have occurred.

In December 2023, our Class A Common Stock ceased trading on tZERO, an alternative trading system that had the ability to support trades of our Class A Common Stock and transfers of our Common Stock Tokens. Our Class A Common Stock previously traded on tZERO under the symbol “EXOD”.

In October 2023, our Class A Common Stock ceased trading on Securitize Markets, an alternative trading system that had the ability to support trades of our Class A Common Stock and transfers of our Common Stock Tokens. Our Class A Common Stock previously traded on Securitize Markets under the symbol “EXOD”.

For the periods indicated, the following table sets forth the high and low bid prices per share of Class A Common Stock.

<b>Period</b>	<b>High<sup>(1)</sup></b>	<b>Low<sup>(1)</sup></b>
<b>December 31, 2023</b>		
Fourth Quarter	\$ 5.00	\$ 1.90
Third Quarter	7.47	2.50
Second Quarter	3.94	1.54
First Quarter	4.48	2.00
<b>December 31, 2022</b>		
Fourth Quarter	4.97	1.00
Third Quarter	12.98	2.10
Second Quarter	18.50	4.98
First Quarter	20.50	12.00

(1) This information was obtained from tZERO and Securitize, established alternative trading systems. Over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

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### Holders

As of December 31, 2023, there were 4,320,005 shares of Class A Common Stock outstanding which were held by approximately 6,934 record holders, and 21,760,855 shares of Class B Common Stock outstanding which were held by approximately 19 record holders.

### Dividends

We have never declared or paid any cash dividends on our capital stock, and we do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors.

### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth equity securities authorized for issuance under our equity compensation plans as of December 31, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(2)</sup>	Weighted average exercise price of outstanding options, warrants and rights <sup>(3)</sup>	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders <sup>(1)</sup>			
Class A Common Stock	2,797,071	—	2,909,203
Class B Common Stock	2,156,632	\$2.40	—
Equity compensation plans not approved by security holders			
	—	—	—

(1) Refers to our 2019 Equity Incentive Plan and our 2021 Equity Incentive Plan. Subject to adjustments as provided in our 2021 Equity Incentive Plan, the aggregate number of shares of Class A Common Stock that may be issued pursuant to awards under the 2021 Equity Incentive Plan will not exceed 6,530,000 shares of Class A Common Stock. Awards representing shares of Class B Common Stock were granted under the 2019 Equity Incentive Plan. Shares are no longer available for issuance under our 2019 Equity Incentive Plan.

(2) Includes outstanding options and RSUs.

(3) Weighted-average exercise price only reflects outstanding options as RSUs do not have an exercise price.

### Item 10. Recent Sales of Unregistered Securities

On February 26, 2021, the Company filed a Regulation A Offering Statement on Form 1-A (the “Offering Statement”) with the SEC, which was qualified on April 8, 2021, consisting of 2,733,229 shares of Class A common stock issued and sold by the Company, at a price per share of \$27.42. The net proceeds to the Company of such offering were \$52.5 million. The offering was concluded on May 5, 2021.

Since January 1, 2021, the Company has issued and sold to certain of its employees, directors, consultants and other service providers an aggregate of 1,066,405 shares of Class A common stock upon vesting of RSUs under our 2021 Plan, at prices per share ranging from \$1.54 to \$18.50, for a weighted-average exercise price of approximately \$4.43, and an aggregate of 528,249 shares of Class B common stock upon the exercise of options under our 2019 Plan, at an exercise price per share ranging from \$2.39 to \$2.55, for a weighted-average exercise price of approximately \$2.34. Such shares were issued in reliance upon the exemption provided in Rule 701 under the Securities Act.

Since January 1, 2021, the Company has granted to certain of its employees, directors, consultants and other service providers options to purchase an aggregate of 216,000 shares of Class B common stock under our 2019 Plan at exercise prices per share of \$2.55. Such grants were made in reliance upon the exemption provided in Rule 701 under the Securities Act.

Since January 1, 2021, the Company granted to certain of its employees RSUs in the aggregate of 4,369,374 shares of Class A common stock under our 2021 Plan at a weighted average grant date fair value of \$5.10. Such grants were made in reliance upon the exemption provided in Rule 701 under the Securities Act.

### Item 11. Description of Registrant’s Securities to be Registered

This section provides a summary of the rights of our capital stock. This summary is not complete. For more detailed information, please see our amended and restated certificate of incorporation and amended and restated bylaws, which are filed as exhibits to this Report.

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Our authorized capital stock consists of 65,000,000 shares, consisting of (i) 60,000,000 shares of common stock divided into two series consisting of 32,500,000 shares designated as Class A Common Stock, par value \$0.000001 per share, and 27,500,000 shares designated as Class B Common Stock, par value \$0.000001 per share, and (ii) 5,000,000 shares designated as preferred stock, par value \$0.000001 per share.

### **Common Stock**

**Outstanding Shares** - As of December 31, 2023, there were 4,320,005 shares of Class A common stock outstanding, an aggregate of 21,760,855 shares of Class B common stock outstanding and no shares of preferred stock outstanding.

**Voting Rights** - Our authorized common stock is divided into two series, denominated as “Class A common stock” and “Class B common stock.” Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or our amended and restated certificate of incorporation.

Delaware law could require holders of Class A common stock or Class B common stock to vote separately, on a series-by-series basis, if we were to seek to amend our certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a series of our Common Stock in a manner that affects its holders adversely, but does not so affect the Common Stock as a whole, or if we take an action where a separate vote of either of the Class A common stock or the Class B common stock is prescribed by the explicit terms of our amended and restated certificate of incorporation.

Holders of our Class A common stock and Class B common stock are not entitled to cumulative voting in the election of directors, which means that the holders of a majority of the voting power of our Class A common stock and Class B common stock, voting together as a single voting class, will be entitled to elect all of the directors standing for election, if they so choose.

The holders of our Class B common stock collectively beneficially own shares representing approximately 98% of the voting power of our outstanding capital stock. Jon Paul Richardson and Daniel Castagnoli, each one of our executive officers and a member of our board of directors, control approximately 85% of the voting power of our outstanding capital stock. Because of our dual class structure, we anticipate that, for the foreseeable future, these individuals will continue to be able to control all matters submitted to our stockholders for approval, including the election and removal of directors.

**Conversion** - Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain transfers described in our amended and restated certificate of incorporation, including, without limitation, transfers for tax and estate planning purposes, so long as the transferring holder of Class B common stock continues to hold exclusive voting and dispositive power with respect to the shares transferred.

All shares of Class B common stock will convert automatically into shares of Class A common stock upon the date on which the Class B common stock ceases to represent at least 10% of the total voting power of our outstanding common stock.

Once converted into a share of Class A common stock, a converted share of Class B common stock will not be reissued.

**Dividends** - Subject to preferences that may be applicable to any then-outstanding shares of preferred stock, holders of our Class A common stock and Class B common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds. If a dividend is paid in the form of Class A common stock or Class B common stock, then holders of Class A common stock shall receive Class A common stock and holders of Class B common stock shall receive Class B common stock.

**Liquidation** - In the event of our liquidation, dissolution or winding up, holders of our Class A common stock and Class B common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

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**Rights and Preferences** - Except as described above, holders of Class A common stock and Class B common stock have no preemptive, conversion, subscription or other rights (other than the right of a holder of shares of Class B common stock to convert such shares into an equal number of shares of Class A common stock), and there are no redemption or sinking fund provisions applicable to Class A common stock or Class B common stock. The rights, preferences and privileges of the holders of Class A common stock and Class B common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

**Fully Paid and Nonassessable** - All of our outstanding shares of common stock are fully paid and nonassessable.

### **Options**

As of December 31, 2023, options to purchase an aggregate of 2,156,632 shares of our Class B common stock were outstanding under the 2019 Plan.

### **Preferred Stock**

Our board of directors has the authority, without further action by the stockholders, to issue up to 5,000,000 shares of preferred stock in one or more series and to fix the rights, powers, preferences, privileges and restrictions thereof. These rights, powers, preferences and privileges could include dividend rights, conversion rights, voting rights, redemption rights, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of Class A common stock or Class B common stock. The issuance of preferred stock could adversely affect the voting power of holders of Class A common stock and Class B common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in our control or other corporate action. Upon closing of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

### **Section 203 of the Delaware General Corporation Law**

We have chosen not to be governed by Section 203 of the Delaware General Corporation Law (“DGCL”) regulating corporate takeovers. In general, Section 203 prohibits a Delaware corporation having more than 2,000 shareholders of record from engaging in a “business combination” with an “interested stockholder” for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner.

### **Anti-Takeover Provisions**

The provisions of the DGCL, our amended and restated certificate of incorporation and our amended and restated bylaws could have the effect of delaying, deferring or discouraging another person from acquiring control of our company. These provisions, which are summarized below, are expected to discourage certain types of coercive takeover practices and inadequate takeover bids and encourage persons seeking to acquire control of our company to first negotiate with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Our amended and restated certificate of incorporation and our amended and restated bylaws include a number of provisions that may have the effect of deterring hostile takeovers or delaying or preventing changes in control of our management team or changes in our board of directors or our governance or related policies, including the following:

- **Special Meetings of Stockholders.** Our amended and restated certificate of incorporation and our amended and restated bylaws provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairperson of our board of directors or our chief executive officer or president, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders to take any action, including the removal of directors.
- **Advance Notice Requirements for Stockholder Proposals and Director Nominations.** Our amended and restated bylaws provide advance notice procedures for stockholders seeking to bring business before our meetings of stockholders or to nominate candidates for election as directors at our meetings of

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stockholders. Our amended and restated bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our meetings of stockholders or from making nominations for directors at our meetings of stockholders. We expect that these provisions might also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

- **No Cumulative Voting.** The DGCL provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation and amended and restated bylaws do not provide for cumulative voting.
- **Issuance of Undesignated Preferred Stock.** Our board has the authority, without further action by the stockholders, to issue up to 5,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock enables our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise.
- **Choice of Forum.** Our amended and restated bylaws provide that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our amended and restated certificate of incorporation or amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. This exclusive forum provision does not apply to claims as to which the Court of Chancery of the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within 10 days following such determination), claims that are vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery of the State of Delaware, or claims for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction. For instance, the provision does not preclude the filing of claims brought to enforce any liability or duty created by the Exchange Act or Securities Act or the rules and regulations thereunder in federal court. In addition, our amended and restated bylaws provide that the federal district courts of the United States shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. The enforceability of similar exclusive federal forum provisions in other companies' organizational documents has been challenged in legal proceedings, and while the Delaware Supreme Court has ruled that this type of exclusive federal forum provision is facially valid under Delaware law, there is uncertainty as to whether other courts would enforce such provisions and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

In addition, our amended and restated certificate of incorporation and our amended and restated bylaws include a number of provisions that become effective only after the date on which the Class B common stock ceases to represent at least 50% of the total voting power of our outstanding capital stock (the "Class B Threshold Date"). These provisions may also have the effect of deterring hostile takeovers, or delaying or preventing changes in control of our management team or changes in our board of directors or our governance or policy, including the following:

- **Board Vacancies.** Our amended and restated bylaws and certificate of incorporation authorize our board of directors to fill vacant directorships resulting from any cause or created by the expansion of our board of directors. In addition, the number of directors constituting our board of directors may be set only by resolution adopted by our board of directors. After the Class B Threshold Date such vacancies may not be filled by stockholders. These provisions prevent a stockholder from increasing the size of our board of directors and gaining control of our board of directors by filling the resulting vacancies with its own nominees.
- **Classified Board.** Our amended and restated certificate of incorporation provides that after the Class B Threshold Date our board of directors is classified into three classes of directors. The existence of a classified board of directors could delay a successful tender offeror from obtaining majority control of our board of directors, and the prospect of that delay might deter a potential offeror.

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- **Directors Removable Only for Cause.** Our amended and restated certificate of incorporation provides that after the Class B Threshold Date stockholders may remove directors only for cause.
- **Supermajority Requirements for Amendments of Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws.** Our amended and restated certificate of incorporation further provides that, after the Class B Threshold Date, the affirmative vote of holders of at least 66 2/3% of our outstanding stockholder voting power is required to amend certain provisions of our amended and restated certificate of incorporation, including provisions relating to the classified board, the size of the board of directors, removal of directors, special meetings, actions by written consent, and designation of our preferred stock. After the Class B Threshold Date, the affirmative vote of holders of at least 66 2/3% of our outstanding stockholder voting power is required for the stockholders to amend or repeal our amended and restated bylaws, although our amended and restated bylaws may be amended by a simple majority vote of our board of directors.
- **Stockholder Action.** Our amended and restated certificate of incorporation provides that after the Class B Threshold Date our stockholders may not take action by written consent but may only take action at annual or special meetings of our stockholders. As a result, holders of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws.

### **Transfer Restrictions**

Class A shares from vested RSUs are restricted for one year after grant date. All of our shares of Class B common stock and any shares issuable upon the conversion of our shares of Class B common stock are deemed “restricted securities” as that term is defined under Rule 144.

Restricted securities may be sold in the public market only if their offer and sale is registered under the Securities Act or if the offer and sale of those securities qualify for an exemption from registration, including the exemption provided by Rule 144 under the Securities Act. In general, a person who is not our affiliate for purposes of the Securities Act and has not been our affiliate at any time during the preceding three months may sell any shares of our common stock that such person has beneficially owned for at least one year and one day, including the holding period of any prior owner other than one of our affiliates, under an exemption from registration provided by Rule 144 under the Securities Act without being required to comply with the notice, manner of sale or public information requirements or volume limitation provisions of Rule 144. However, a person who has beneficially owned our common stock for at least one year and one day but who is our affiliate for purposes of the Securities Act would be subject to additional restrictions, including a limit on the number of shares that may be sold within any three-month period equal to 1% of the number of shares of our common stock then outstanding. Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us. To the extent that shares were acquired from one of our affiliates, a person’s holding period for the purpose of effecting a sale under Rule 144 would commence on the date of transfer from the affiliate.

### **Item 12. Indemnification of Directors and Officers**

Our amended and restated certificate of incorporation and amended and restated bylaws provide for the indemnification of our directors and officers to the fullest extent permitted under the DGCL. In addition, our amended and restated certificate of incorporation provides that our directors shall not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by the DGCL and that if the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

As permitted by the DGCL, we have included an indemnification provision within a signed offer letter for all board member hires that requires us, among other things, to indemnify them against certain liabilities which may arise by reason of their status as directors. We also maintain insurance policies under which our directors and officers are insured, within the limits and subject to the limitations of those policies, against certain expenses in connection with the defense of, and certain liabilities that might be imposed as a result of, actions, suits or proceedings to which they are parties by reason of being or having been directors or officers. The coverage provided by these policies may apply whether or not we would have the power to indemnify such person against such liability under the provisions of the DGCL.

We believe that these provisions and agreements are necessary to attract and retain qualified persons as our officers and directors.

**Item 13. Financial Statements and Supplementary Data**

**Report of Independent Registered Public Accounting Firm**

To the stockholders and the Board of Directors of Exodus Movement, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Exodus Movement, Inc. and subsidiaries (the “Company”) as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity, and cash flows for the years then ended, and the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

Omaha, Nebraska  
February 28, 2024

We have served as the Company's auditor since 2023.

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**Exodus Movement, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
(In thousands, except share amounts)

	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 11,376	\$ 20,494
U.S. dollar coin (\$500 restricted as of December 31, 2023)	517	—
Treasury bills	43,151	31,981
Accounts receivable	3,240	1,488
Prepaid expenses	1,440	2,752
Other current assets	<u>5</u>	<u>77</u>
Total current assets	59,729	56,792
<b>OTHER ASSETS</b>		
Fixed assets, net	317	617
Digital assets, net	35,010	20,302
Software assets, net	8,051	7,490
Indefinite-lived assets	1,945	1,945
Other investments	100	694
Deferred tax assets	<u>6,567</u>	<u>1,369</u>
Total other assets	<u>51,990</u>	<u>32,417</u>
<b>TOTAL ASSETS</b>	<b><u>\$111,719</u></b>	<b><u>\$ 89,209</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,061	\$ 610
Other current liabilities	<u>6,485</u>	<u>2,389</u>
Total current liabilities	<u>7,546</u>	<u>2,999</u>
<b>LONG-TERM LIABILITIES</b>		
Long-term liabilities	<u>412</u>	<u>366</u>
Total liabilities	<u>7,958</u>	<u>3,365</u>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock		
\$0.000001 par value, 5,000,000 shares authorized, no shares issued and outstanding	—	—
Class A Common Stock		
\$0.000001 par value, 32,500,000 shares authorized,	—	—
4,320,005 issued and outstanding as of December 31, 2023	—	—
3,543,791 issued and outstanding as of December 31, 2022	—	—
Class B Common Stock		
\$0.000001 par value, 27,500,000 shares authorized,	—	—
21,760,855 issued and outstanding as of December 31, 2023	—	—
21,798,414 issued and outstanding as of December 31, 2022	—	—
<b>ADDITIONAL PAID IN CAPITAL</b>	122,558	116,644
<b>ACCUMULATED OTHER COMPREHENSIVE LOSS</b>	(1,477)	(694)
<b>ACCUMULATED DEFICIT</b>	<u>(17,320)</u>	<u>(30,106)</u>
Total stockholders' equity	<u>103,761</u>	<u>85,844</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$111,719</u></b>	<b><u>\$ 89,209</u></b>

The accompanying notes are an integral part of these consolidated financial statements.

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**Exodus Movement, Inc. and Subsidiaries**  
**Consolidated Statements of Operations and Comprehensive Income (Loss)**  
(In thousands, except per share amounts)

	Years Ended December 31,	
	2023	2022
<b>OPERATING REVENUES</b>	\$56,185	\$ 50,606
<b>COST OF REVENUES</b>	<u>30,517</u>	<u>28,677</u>
<b>GROSS PROFIT</b>	<u>25,668</u>	<u>21,929</u>
<b>OPERATING EXPENSES</b>		
General and administrative	18,505	28,086
(Gain) impairment on digital assets, net	(1,431)	18,308
Impairment on investments	<u>207</u>	<u>500</u>
Total operating expenses	<u>17,281</u>	<u>46,894</u>
Income (loss) from operations	<u>8,387</u>	<u>(24,965)</u>
<b>OTHER INCOME</b>		
Staking rewards	72	151
Unrealized gain on investments	248	295
Interest income	<u>2,174</u>	<u>427</u>
Total other income	<u>2,494</u>	<u>873</u>
Income (loss) before income taxes	10,881	(24,092)
<b>INCOME TAX BENEFIT</b>	<u>1,905</u>	<u>946</u>
<b>NET INCOME (LOSS)</b>	<u>\$12,786</u>	<u>\$(23,146)</u>
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>		
Foreign currency translation adjustment	<u>(783)</u>	<u>94</u>
<b>COMPREHENSIVE INCOME (LOSS)</b>	<u>\$12,003</u>	<u>\$(23,052)</u>
<b>Net income (loss) per share</b>		
Basic - Class A	\$ 3.27	\$ (7.20)
Diluted - Class A	\$ 1.78	\$ (7.20)
Basic - Class B	\$ 0.59	\$ (1.01)
Diluted - Class B	\$ 0.53	\$ (1.01)
<b>Weighted average shares outstanding</b>		
Basic - Class A	3,909	3,216
Diluted - Class A	7,185	3,216
Basic - Class B	21,797	22,826
Diluted - Class B	23,976	22,826

The accompanying notes are an integral part of these consolidated financial statements.

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**Exodus Movement, Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Stockholders' Equity**  
(In thousands)

	Class A Shares	Class B Shares	Additional Paid In Capital	Accumulated Other Comprehensive Loss	(Accumulated Deficit) Retained Earnings	Total Stockholders' Equity
<b>December 31, 2021</b>	2,730	22,510	\$111,705	\$ (788)	\$ (6,960)	\$103,957
Stock based compensation	—	—	5,205	—	—	5,205
Exercised options, net of options withheld for taxes and strike price	—	7	18	—	—	18
Shares repurchased and cancelled	(2)	—	(20)	—	—	(20)
Issuance of Common Stock upon settlement of RSUs, net of shares withheld for taxes	97	—	(264)	—	—	(264)
Conversion of Class B to Class A, as elected by shareholders	719	(719)	—	—	—	—
Foreign currency translation adjustment	—	—	—	94	—	94
Net loss	—	—	—	—	(23,146)	(23,146)
<b>December 31, 2022</b>	<u>3,544</u>	<u>21,798</u>	<u>\$116,644</u>	<u>\$ (694)</u>	<u>\$(30,106)</u>	<u>\$ 85,844</u>
Stock based compensation	—	—	6,576	—	—	6,576
Exercised options, net of options withheld for taxes	—	13	33	—	—	33
Issuance of Common Stock upon settlement of RSUs, net of shares withheld for taxes	725	—	(695)	—	—	(695)
Conversion of Class B to Class A, as elected by shareholders	51	(51)	—	—	—	—
Foreign currency translation adjustment	—	—	—	(783)	—	(783)
Net income	—	—	—	—	12,786	12,786
<b>December 31, 2023</b>	<u>4,320</u>	<u>21,760</u>	<u>\$122,558</u>	<u>\$(1,477)</u>	<u>\$(17,320)</u>	<u>\$103,761</u>

The accompanying notes are an integral part of these consolidated financial statements.

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**Exodus Movement, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flow**  
(In thousands)

	Years Ended December 31,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 12,786	\$(23,146)
Adjustments to reconcile net income (loss) to		
Net cash provided by operating activities		
Depreciation and amortization	4,570	3,460
Deferred tax benefit	(5,197)	(1,595)
Gain on settlement of digital assets	(5,047)	(3,356)
Impairment of digital assets	3,616	21,664
Impairment on assets	207	500
Non-cash revenue - related party	—	(135)
Accrued interest income	(1,476)	—
Unrealized gain on investments	(248)	(295)
Stock-based compensation	5,784	4,133
Non-cash activities settled in digital assets and USDC <sup>(1)</sup>	(17,241)	39,833
Change in operating assets and liabilities:		
Prepaid expenses	1,491	4,914
Other current assets	72	161
Other assets	—	(248)
Accounts payable	471	(1,378)
Other current liabilities	859	(458)
Other long-term liabilities	<u>45</u>	<u>366</u>
Net cash provided by operating activities	<u>692</u>	<u>44,420</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(67)	(324)
Purchase of treasury bills	(83,909)	(35,935)
Redemption of investments	249	—
Redemption of treasury bills	<u>74,599</u>	<u>4,200</u>
Net cash used in investing activities	<u>(9,128)</u>	<u>(32,059)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of shares repurchased and cancelled	—	(20)
Proceeds from note receivable	—	3,038
Repurchase of shares to pay employee withholding taxes	(715)	(264)
Exercise of stock options	<u>33</u>	<u>4</u>
Net cash (used in) provided by financing activities	<u>(682)</u>	<u>2,758</u>
Change in cash and cash equivalents	(9,118)	15,119
<b>Cash and cash equivalents at beginning of period</b>	<u>20,494</u>	<u>5,375</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 11,376</u>	<u>\$ 20,494</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>		
Non-cash stock options exercised - USDC	\$ —	\$ 2
Non-cash stock options exercised	\$ —	\$ 12
Non-cash issuance of stock	\$ 20	\$ —
Non-cash capitalized software costs settled in digital assets (including stock-based compensation of \$792 and \$1,072, respectively)	\$ (4,742)	\$ (6,714)
Non-cash purchase of fixed assets	\$ (21)	\$ (67)
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for income taxes	\$ (2,371)	\$ (690)

(1) See Note 6, "Intangible Assets".



**Exodus Movement, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**Note 1—Nature of Business**

Exodus Movement, Inc. (“Exodus” or “the Company” or “we”) was incorporated in Delaware in July 2016. The Company operates in the FinTech subsector of the greater blockchain and digital asset industry. The Company has developed an un-hosted self-custodial digital asset wallet on the Exodus Platform and contracts with third parties to provide various services to users that utilize the Company’s wallet through the platform.

**Note 2—Summary of Significant Accounting Policies**

***Basis of Presentation***

The Company prepares its consolidated financial statements in conformity with U.S. GAAP. In the opinion of management, all adjustments necessary in order to make the consolidated financial statements not misleading have been included.

***Use of Estimates***

The preparation of these consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in the financial statements and footnotes. Actual results could differ materially from those estimates. Significant estimates inherent in the preparation of the consolidated financial statements include depreciation, the recoverability of long-lived assets, useful lives and impairment of long-lived tangible and intangible assets, valuation of stock-based compensation, reserves for litigation and other contingencies and accounting for income taxes, among others.

***Principles for Consolidation***

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

***Prior Period Corrections***

Subsequent to the issuance of the Company's consolidated financial statements as of and for the year ended December 31, 2022, the Company identified certain errors that have been corrected in the current year. Specifically, the Other current liabilities footnote (Note 8) has been restated to reflect income taxes payable of \$113 compared to \$31 as previously reported, resulting in total Other current liabilities as of December 31, 2022 of \$2,389 compared to \$2,307 as previously reported. Related to that correction, the change in Other current liabilities in the statement of cash flows has been restated to show a change of (\$458) compared to (\$540) as previously reported. The Company has also corrected the footing of the effective tax rate reconciliation in Note 10 to reflect a total effective income tax rate of 3.8% compared to 4.3% as previously reported. We have evaluated the materiality of these errors based on an analysis of quantitative and qualitative factors and concluded they were not material to the prior period financial statements, individually or in aggregate.

***Foreign Currency Translation***

Assets and liabilities of international subsidiaries whose functional currency is the local currency are translated at the rate of exchange in effect on the consolidated balance sheet date; income and expenses are translated at the average exchange rates prevailing during the period. The effects of these translation adjustments are presented in the consolidated statements of stockholders’ equity and in the consolidated statements of operations and comprehensive income (loss). Fluctuations in the Company’s functional currency from our net investment in the Company’s subsidiaries expose us to foreign currency translation risk, where changes in foreign currency exchange rates may adversely affect our results of operations upon translation into U.S. Dollars.

***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand, mutual funds and treasury bills with an original maturity of three months or less.

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### ***U.S. Dollar Coin***

U.S. Dollar Coin (“USDC”) is a stablecoin digital asset that is backed by U.S. dollars or other liquid assets and accounted for as a financial instrument. USDC can be redeemed for one U.S. Dollar.

### ***Restricted USDC***

Restricted USDC consists of customer advances related to unfulfilled performance obligations. As of December 31, 2023, \$0.5 million was included in restricted USDC related to certain performance obligations that were paid in advance. Please see Note 2, “Summary of Significant Accounting Policies, Revenue Recognition” for more details.

### ***Concentration of Credit Risk***

The Company maintains its cash and cash equivalents in checking accounts, various investment grade institutional money market accounts, bank term deposits and licensed digital asset exchanges. Deposited funds held with financial institutions may exceed the \$250,000 limit insured by the Federal Deposit Insurance Corporation (“FDIC”). Generally, these deposits may be redeemed upon demand and are maintained with financial institutions with reputable credit. The Company has not experienced any losses on funds deposited to these accounts and, therefore, does not believe it is exposed to any significant credit risk with respect to these accounts. The Company also holds cash at digital asset trading venues and performs a regular assessment of these trading venues as part of its risk management process.

Operating revenue from major API providers exceeding 10% of the total operating revenues for the years ended December 31, 2023 and 2022 were as follows (in thousands):

	December 31, 2023	December 31, 2022
Exchange revenue:		
Company A	\$11,455	\$ 9,782
Company B	10,503	12,585
Company C	9,251	6,965
Company D	8,561	7,738
Company E	7,467	6,773

### ***Accounts Receivable***

We record accounts receivable at the invoiced amount. We do not maintain an allowance for doubtful accounts to reserve for potentially uncollectible receivables, as we have no history of losses on receivables recognized from revenue earned or disputes with the Company’s current API providers. The term between invoicing and when payment is due is not significant.

### ***Segment Reporting***

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Executive Officer, also known as the Chief Operating Decision Maker (the “CODM”) in deciding how to allocate resources to an individual segment and in assessing performance. The CODM reviews financial information presented on a global consolidated basis for purposes of making operating decisions, allocating resources and evaluating financial performance. As such, the Company has determined that it operates as one operating segment and one reportable segment.

### ***Fixed Assets***

Fixed assets are recorded at cost and are depreciated on a straight-line basis over the estimated useful lives of the respective assets, which are three years for equipment and furniture and eight years for vehicles. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized and depreciated.

### ***Digital Assets***

Digital assets are recorded at cost less impairment and are classified as intangible assets with indefinite useful lives. These intangible assets with indefinite useful lives are not amortized but assessed for impairment daily. Impairment exists when the carrying amount exceeds its fair value. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted.

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### ***Software Development Cost***

The Company applies ASC 985-20, Software-Costs of Software to Be Sold, Leased, or Marketed, in analyzing the Company's software development costs. ASC 985-20 requires the capitalization of certain software development costs subsequent to the establishment of technological feasibility for a software product in development. Software development costs associated with establishing technological feasibility are expensed as incurred.

We apply ASC 350-40, Intangibles—Goodwill and Other—Internal Use Software, in the review of certain system projects. These system projects generally relate to software not hosted on our users' systems (as defined in ASC 350-40), where the user has no access to source code, and it is infeasible for the user to operate the software themselves without Exodus servers in place. In these reviews, all costs incurred during the preliminary project planning stages are expensed as incurred.

### ***Indefinite-Lived Assets***

The Company applies ASC 350-30, Intangibles-Goodwill and Other, General Intangibles Other Than Goodwill, in analyzing the Company's indefinite-lived assets. Indefinite-lived assets, primarily the Company's domain name and trademark, are not amortized but are evaluated annually for impairment and whenever events or changes in circumstances indicate that the carrying amount of the asset may exceed its fair value. If the carrying value of an indefinite-lived asset exceeds its fair value, an impairment charge is recognized in an amount equal to that excess.

### ***Fair Value Measurements***

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following fair value hierarchy is used in selecting inputs, with the highest priority given to Level 1, as these are the most transparent or reliable:

- Level 1 – Quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs are not observable.

Prices may fall within Level 1, 2 or 3 depending upon the methodology and inputs used to estimate fair value for each specific security. In general, securities are priced using third-party pricing services. Securities not priced by pricing services are submitted to independent brokers for valuation and, if those are not available, internally developed pricing models are used to value assets using a methodology and inputs that market participants presumably would use to value the assets. Prices obtained from third-party pricing services or brokers are not adjusted.

### ***Revenue Recognition***

The Company applies the provisions of ASC Topic 606, Revenue from Contracts with Customers ("Topic 606"), to determine the measurement of revenue and the timing of when it is recognized. Under ASC 606, revenue is measured as the amount of consideration we expect to be entitled to, in exchange for transferring products or providing services to our customers and is recognized when performance obligations under the terms of contracts with our customers are satisfied. ASC 606 prescribes a five-step model for recognizing revenue from contracts with customers: (1) identify contract(s) with the customer; (2) identify the separate performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the separate performance obligations in the contract; and (5) recognize revenue when (or as) each performance obligation is satisfied.

### ***Exchange Aggregation, Fiat Onboarding, and Staking Revenue Earned Through an API Provider***

The Company recognizes various amounts charged to API providers which are based on user interactions conducted through APIs as revenue. Currently, the Company has API agreements with providers of digital asset-to-digital asset exchanges, fiat-to-digital asset conversions, and digital asset staking. Under the terms and conditions of the agreements, the Company and the providers have integrated the APIs into the Exodus Platform. In consideration for the integration by the Company of the APIs into the Exodus Platform software, API providers pay us an API fee for certain user interactions with the API provider. These interactions are typically transactions of services between provider and a user, effected through the API.

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Exchange Aggregation—For transaction-based API fees, there is a transaction price per interaction between the provider and the user. Exchange interactions (from API to the Company to permit the exchange to be incorporated into our wallet, solely with respect to users of the Exodus wallet) generate API fees, and the Company tracks fees earned on a daily basis. The Company receives from the provider a set percentage, per the contract, of the fees charged by the provider to the user. The performance obligation is transaction based and when the API interaction is complete, the performance obligation is satisfied, and revenue is recognized. With the majority of our revenue being transaction based, our revenue can vary significantly based on the volume of interactions that occur each day. The performance obligations are such that the Company allows the API providers to provide software services which permit a user of Exodus’s un-hosted self-custodial digital asset software wallet to exchange one digital asset for another digital asset (the “Exchange Services”). The API providers supply an application program interface to permit the Exchange Services to be integrated into the un-hosted self-custodial wallet software (the “Exchange API”). Under the terms and conditions of the agreements, the Company and the Exchange API providers have integrated the Exchange APIs into the Exodus wallet.

For non-transaction-based API fees, we recognize revenues based on when performance obligations in the underlying contracts have been identified, priced, allocated, and satisfied.

The Company has concluded that the contracts do not contain any significant financing components, as either the period between receipt of the funds and the satisfaction of performance obligations is largely within one year, or much of the transaction consideration is variable as the consideration is within the control of the user when they decide to interact with the exchanges, and is not substantially within the control of the parties to the contract.

Fiat onboarding—Fiat on-ramps, powered by API providers such as Ramp Network, facilitate an effortless exchange for users to buy digital assets with fiat currency through bank transfer, credit or debit card and Apple Pay. Users can sell digital assets for fiat currency and transfer to their bank account utilizing our off-ramp, which is currently powered by an API provider called MoonPay. Exodus receives an API integration fee from our third-party providers based on volume of currency exchanged.

Staking revenue earned through an API provider—By participating in blockchain validation through our third-party API provider, Everstake, users are able to earn rewards by staking supported digital assets held in their Exodus wallets. According to the design of the underlying network staking protocols, the holder determines the amount of digital assets to stake, retains full control and ownership of the digital assets and can unstake them at any time. Users of the Exodus Platform are able to access the Staking app within the Exodus Platform and delegate certain digital assets to participate in staking and receive the resulting rewards. Exodus receives an API integration fee from Everstake equal to a percentage of the staking rewards earned by the user. Staking revenue earned through an API provider is recognized when earned.

Consulting and other—The Company recognizes revenue from the provision of consulting and other services. During September 2023, the Company received a customer advance related to unfulfilled performance obligations for a software development contract totaling \$1.0 million, which was recognized as a contract liability. As of December 31, 2023 the Company had a contract liability balance of \$0.7 million, which is expected to be fully recognized in one year or less. As of December 31, 2022, the Company had no contract liability balance.

Management judgment is required in determining whether the Company is the principal or the agent for the purposes of ASC 606 in transactions between customer and user. The Company evaluates the transactions based on whether it controls the digital asset provided before it is transferred to the users or whether it acts as an agent by arranging for other customers to provide the digital asset to the customer. The Company does not control the digital asset being provided before it is transferred to the buyer, does not have inventory risk related to the digital asset, and is not responsible for the fulfillment of the digital asset. The Company also does not set the price for the digital asset. The Company’s API Provider agreements and user Terms of Service along with the self-custodial nature of the product clarify that the responsibility for transactions flowing through the APIs are exclusively the responsibility of the API Provider and the user. The Company has determined that for its transaction based contracts it is an agent solely for the purposes of ASU 606.

### ***Stock-based Compensation***

Under the Company’s stock-based compensation plans, certain employees, members of the Company’s board of directors and its consultants have received grants of RSUs and stock options for Exodus Movement Class A and Class B common stock.

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The Company accounts for RSUs as equity classified awards. For RSUs, the expense is based on the grant date fair value of the stock and the number of shares that vest, recognized over the service period.

*Options Valuation* - The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award. The cost is recognized over the period during which the employee is required to provide service in exchange for the award. We calculate the fair value of stock-based compensation awards granted to employees and non-employees using the Black-Scholes option-pricing method.

The material factors incorporated in the Black-Scholes model in estimating the fair value of the options granted for the periods presented were as follows:

- *Expected dividend yield.* The expected dividend is assumed to be zero as we have never paid dividends and have no current plans to pay any dividends on our common stock.
- *Expected stock-price volatility.* The expected volatility is derived from the average historical volatilities of publicly traded companies within our industry that we consider to be comparable over a period approximately equal to the expected term.
- *Risk-free interest rate.* The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for zero coupon U.S. Treasury notes with maturities approximately equal to the expected term.
- *Expected term.* The expected term represents the period that the stock-based awards are expected to be outstanding. Our historical share option exercise experience does not provide a reasonable basis upon which to estimate an expected term because of a lack of sufficient data. Therefore, we estimate the expected term by using the simplified method provided by the SEC. The simplified method calculates the expected term as the average of the time-to-vesting and the contractual life of the options.
- *Fair value per share.* The fair value per share is the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price and risk-free rate.

### ***Income Taxes***

The Company applies the provisions of ASC Topic 740, *Income Taxes*, (“Topic 740”). Under Topic 740, deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and tax bases of assets and liabilities and are measured using the enacted tax rates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates is recognized in the statement of operations in the period that includes the enactment date. The Company records valuation allowances to reduce its deferred tax assets to the amount that is more likely than not be realized.

In accordance with Topic 740, the Company recognizes, in its consolidated financial statements, the impact of the Company's tax positions that are more likely than not to be sustained upon examination. The Company will determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, the Company presumes that the position will be examined by the appropriate taxing authority with full knowledge of all relevant information. Upon determination that a tax position meets the more-likely-than-not recognition threshold, it is measured to determine the amount of benefit to recognize in the financial statements. The Company recognizes interest and penalties for uncertain tax positions in income tax expense.

### ***Earnings Per Share***

The Company uses the if-converted method to calculate earnings per share. Basic net income per share was computed by allocating undistributed earnings to common shares and using the weighted-average number of common shares outstanding during the period. Diluted net income per share was computed using the weighted-average number of common shares and the potential common shares outstanding during the period. Diluted net loss per share was computed using the weighted-average number of common shares. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options or vesting of RSUs. The dilutive effect of outstanding stock options is reflected in diluted earnings per share. All outstanding dilutive securities have been excluded from the computation of diluted net loss per share as they are anti-dilutive.

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### ***Recent Accounting Pronouncements***

#### *Improvements to Reportable Segment Disclosures*

In November 2023, the Financial Accounting Standard Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures”, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance is to be applied retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. This guidance only impacts footnote disclosures and will not impact our consolidated financial statements.

#### *Improvements to Crypto Assets Disclosures*

On December 13, 2023, the FASB issued ASU 2023-08, “Intangibles – Goodwill and Other – Crypto Assets (Subtopic 350-60: Accounting for and Disclosure of Crypto Assets)”, which addresses the accounting and disclosure requirements for certain crypto assets. The amendments in this update require that a registrant measure certain crypto assets at fair value, which are to be presented separately from other intangible assets in the statement of financial position each reporting period. Gains and losses from the remeasurement of crypto assets shall be included in net income and presented separately from changes in the carrying amount of other intangible assets. The amendments also require that a registrant provide enhanced disclosures for both annual and interim reporting periods. For each significant crypto asset holding, a registrant shall disclose the name of the crypto asset, cost basis, fair value and number of units held. The aggregated cost basis and fair values of the crypto asset holdings that are not individually significant shall also be disclosed. At annual reporting periods, a registrant shall disclose both the method used to determine its cost basis for computing gains and losses and the line item in which gains and losses are reported in the income statement, if not already presented separately. The new standard allows for the registrant to utilize first-in first-out, specific identification or average cost to determine its cost basis for computing gains and losses. At annual reporting periods, a registrant shall also provide a reconciliation, in the aggregate, of activity from the opening to the closing balances of crypto assets, separately disclosing changes during the period attributable to additions, dispositions and net gains or net losses included in net income for the period, determined on a crypto-asset-by-crypto-asset basis. A description of the nature of activities set forth in the reconciliation shall also be included. The amendments in this update are effective for fiscal years beginning after December 15, 2024 and require a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the annual reporting period in which an entity adopts the amendments. The Company has not adopted the new standard as of December 31, 2023. As of the date of this General Form for Registration of Securities on Form 10 (“this Report”), the Company is in the process of assessing the adoption of the new standard and potential impact to the financial statements.

#### *Improvements to Income Tax Disclosures*

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”), which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. This guidance only impacts footnote disclosures and will not impact our consolidated financial statements.

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The following table presents the Company's operating revenues disaggregated by geography, based on the addresses of the Company's API providers (in thousands, except percentages):

	Years Ended December 31,			
	2023		2022	
Republic of the Marshall Islands	\$17,812	31.7%	\$14,703	29.1%
Hong Kong	11,592	20.6	11,369	22.5
British Virgin Islands	11,181	19.9	9,468	18.7
Seychelles	10,521	18.7	12,791	25.3
Other <sup>(1)</sup>	<u>5,079</u>	<u>9.1</u>	<u>2,275</u>	<u>4.4</u>
Operating revenues	<u>\$56,185</u>	<u>100%</u>	<u>\$50,606</u>	<u>100.0%</u>

(1) No other individual country accounted for more than 10% of total revenue.

The following table presents the Company's operating revenues disaggregated by products and services (in thousands, except percentages):

	Years Ended December 31,			
	2023		2022	
Exchange aggregation	\$52,521	93.5%	\$49,180	97.2%
Fiat onboarding	2,381	4.2	584	1.2
Staking revenue earned through an API provider	881	1.6	697	1.4
Consulting	307	0.5	25	—
Other <sup>(1)</sup>	95	0.2	98	0.2
Gaming	<u>—</u>	<u>—</u>	<u>22</u>	<u>—</u>
Operating revenues	<u>\$56,185</u>	<u>100.0%</u>	<u>\$50,606</u>	<u>100.0%</u>

(1) For the year ended December 31, 2023, there were no related party revenues included in other revenues. For the year ended December 31, 2022 there was \$0.1 million of related party revenues included in other revenues. See Note 14, "Related Party".

**Note 4—Prepaid Expenses**

The Company prepays certain expenses due to the nature of the service provided or to capture certain discounts. The table below shows a breakout of these prepaid expenses for the periods presented (in thousands):

	December 31, 2023	December 31, 2022
Accounting, consulting, and legal services	\$ 688	\$ 39
Prepaid cloud services	413	2,154
Prepaid software	281	559
Prepaid insurance	<u>58</u>	<u>—</u>
Prepaid expenses	<u>\$1,440</u>	<u>\$2,752</u>

**Note 5—Fixed Assets, Net**

Fixed assets, net, consisted of the following (in thousands):

	December 31, 2023	December 31, 2022
Computer equipment	\$ 870	\$1,049
Vehicles	256	256
Furniture and fixtures	<u>21</u>	<u>18</u>
Fixed assets, gross	1,147	1,323
Less: accumulated depreciation	<u>(830)</u>	<u>(706)</u>
Fixed assets, net	<u>\$ 317</u>	<u>\$ 617</u>

Depreciation expense was \$0.4 million for both of the years ended December 31, 2023 and 2022.

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**Note 6—Intangible Assets**

*Indefinite-lived Assets*

The Company performed its annual impairment test of indefinite-lived assets as of December 31 and determined that no impairment existed for the Company's domain name for the year ended December 31, 2023. For the year ended December 31, 2022 there was \$0.1 million of impairment related to the Exodus Instagram handle.

Indefinite-lived assets consisted of the following (in thousands):

	December 31, 2023	December 31, 2022
Domain name	<u>\$1,945</u>	<u>\$1,945</u>
Indefinite-lived assets	<u>\$1,945</u>	<u>\$1,945</u>

*Digital Assets*

The Company uses Bitcoin and other digital assets in the ordinary course of its business and includes them as digital assets on the consolidated balance sheets. The Company considers these digital assets to be intangible assets with indefinite useful lives and records them at cost less impairment. These assets are subject to impairment losses if the fair value of digital assets decreases below the carrying value at any time during the period. The fair value is measured using the quoted price of the digital asset at the time its fair value is being measured in the Company's principal market. The Company tracks its digital assets on a first in, first out basis and evaluates holdings for impairment daily based on the lowest price since acquisition. Realized gains or losses on digital asset transactions are calculated as the difference between the value of the price sold compared to the impaired cost.

For the year ended December 31, 2023 and 2022, the Company recorded a gain on settlement of digital assets of \$5.0 million and \$3.4 million, respectively. For the year ended December 31, 2023 and 2022, the Company recorded impairment on digital assets of \$3.6 million and \$21.7 million, respectively.

The following table sets forth by level, within the fair value hierarchy, the Company's digital assets measured and recorded at fair value on a recurring basis (in thousands, except units):

	Units	Carrying Value	Quoted Prices Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
December 31, 2023					
Bitcoin	1,787	\$32,262	\$75,050	\$—	\$—
Ethereum	2,538	2,022	5,739	—	—
Other digital assets	4,625,187	<u>726</u>	2,443	—	—
Digital assets, net		<u>\$35,010</u>			
December 31, 2022					
Bitcoin	1,391	\$17,549	\$22,974	\$—	\$—
Ethereum	2,538	2,022	3,031	—	—
Other digital assets	4,288,471	<u>731</u>	768	—	—
Digital assets, net		<u>\$20,302</u>			

The following table summarizes non-cash activities settled in digital assets and USDC (in thousands):

	Years Ended December 31,	
	2023	2022
Accounts receivable	\$ (1,751)	\$ 1,175
Digital assets, revenue	(56,185)	(50,471)
Digital assets, expenses	38,241	58,772
Conversion of digital assets and USDC to cash	—	30,000
Payroll liabilities	2,510	263

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	Years Ended December 31,	
	2023	2022
Deferred revenue	727	—
Currency translation related to digital assets	(783)	94
Non-cash activities settled in digital assets and USDC	<u>\$(17,241)</u>	<u>\$39,833</u>

**Note 7—Software Assets, Net**

Software assets, net, consisted of the following (in thousands):

	December 31, 2023	December 31, 2022
Internal use software, gross	\$16,208	\$11,640
Less: accumulated amortization	(8,157)	(4,150)
Software assets, net	<u>\$ 8,051</u>	<u>\$ 7,490</u>

The following summarizes the future amortization expense for each of the periods ending December 31 (in thousands):

2024	\$4,584
2025	2,628
2026	<u>839</u>
Total	<u>\$8,051</u>

Amortization expense was \$4.2 million and \$3.1 million for the year ended December 31, 2023 and 2022, respectively.

**Note 8—Other Current Liabilities**

Other current liabilities consisted of the following (in thousands):

	December 31, 2023	December 31, 2022
Payroll liabilities	\$4,770	\$2,259
Income taxes payable	988	113
Deferred revenue <sup>(1)</sup>	727	—
Consulting liabilities	—	17
Other current liabilities	<u>\$6,485</u>	<u>\$2,389</u>

(1) See Note 2, “Summary of Significant Accounting Policies”

**Note 9—Stockholders’ Equity**

The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion rights. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share and is convertible into one share of Class A common stock.

In November 2021, the Company authorized a share repurchase program. The plan provides \$2.0 million towards redemption of its outstanding shares of Class A common stock at a price up to \$55.00 per share. As of December 31, 2022, the Company has cumulatively repurchased and cancelled 4,778 shares worth \$0.1 million on the consolidated financial statements. During the fourth quarter of 2022, the Executive Officers repurchased 308 shares. The share repurchase program expired as of December 31, 2022.

**Stock-Based Compensation**

*Options and Equity Grants Issued*

The 2019 Equity Incentive Plan adopted in September 2019 (the “2019 Plan”) permitted the Company to grant non-statutory stock options, incentive stock options and other equity awards to Exodus team members, directors and

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consultants. The exercise price for options issued under the 2019 Plan is determined by the board of directors, but will be (i) in the case of an incentive stock option granted to an employee or consultant who owns stock representing more than 10% of the voting power of all classes of stock of Exodus, no less than 110% of the fair market value per share on the date of grant; or (ii) granted to any other employee or consultant, no less than 100% of the fair market value per share on the date of grant. The contractual life for all options issued under the 2019 Plan is 10 years. The 2019 Plan authorized grants to issue up to 3,000,000 options (prior to the 2021 Equity incentive Plan (the “2021 Plan”)) that are convertible into shares of authorized but unissued Class B common stock. Upon Class B common stock exercised during the period, 2,156,632 are authorized as of December 31, 2023.

In August 2021, the Company adopted its 2021 Employee Equity Redemption Plan. The plan paid \$3.0 million in USDC to redeem and cancel vested options at a price equal to \$27.42 per share, the price at which shares of Class A common stock of the Company were sold pursuant to the Regulation A Offering.

In August 2021, the Company also adopted the 2021 Plan. The 2021 Plan permits the Company to grant non-statutory stock options, performance stock options and other equity awards, such as restricted stock awards, to Exodus team members, directors and consultants. The exercise price for options issued under the 2021 Plan is determined by the board of directors, but will be (i) in the case of an incentive stock option granted to an employee who owns stock representing more than 10% of the voting power of all classes of stock of Exodus, no less than 110% of the fair market value per share on the date of grant; or (ii) granted to any other employee or consultant, no less than 100% of the fair market value per share on the date of grant. The contractual life for all options issued under the 2021 Plan is 10 years. The 2021 Plan initially authorized grants to issue up to 2,780,000 awards that are convertible into shares of authorized but unissued Class A common stock. Pursuant to the 2021 Plan’s Evergreen Increase, the Company increased our share pool by 5% of our total shares of capital stock. In 2023 and 2022, the total shares of our Class A common stock reserved for issuance increased by 1,875,000 for both periods for a total of 6,530,000 shares under the 2021 Plan. As of December 31, 2023, 2,797,071 RSUs have been authorized and outstanding with a fair value of \$7.0 million and 139 RSUs are vested but not yet issued. We calculate the fair value of RSUs granted to employees, directors and consultants using the intrinsic value method.

Upon the approval of the 2021 Plan, the Company can no longer grant non-statutory stock options, incentives stock options or other equity awards to Exodus employees, directors or consultants under the 2019 Plan.

Terms of our share-based compensation are governed by the plan in which options were issued.

The following table summarizes stock option activities for the years ended December 31, 2023 and 2022:

	<u>Options</u>	<u>Weighted Average Exercise Price</u>
Outstanding as of December 31, 2021	2,265,725	\$2.40
Exercised	(7,174)	2.46
Forfeited	<u>(67,572)</u>	<u>2.43</u>
Outstanding as of December 31, 2022	2,190,979	2.40
Exercised	(13,802)	2.39
Forfeited	<u>(20,545)</u>	<u>2.51</u>
Outstanding as of December 31, 2023	<u>2,156,632</u>	<u>2.40</u>
Vested and exercisable as of December 31, 2023	<u>2,137,102</u>	<u>\$2.40</u>

We recognized stock-based compensation related to options and RSUs of \$6.6 million and \$5.2 million for the years ended December 31, 2023 and 2022, respectively. Stock-based compensation is recorded on the Company’s consolidated statement of operations and comprehensive income (loss) as follows (in thousands):

	<u>Years Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Cost of revenues	<u>\$2,824</u>	<u>\$2,290</u>
General and administrative	<u>3,752</u>	<u>2,915</u>
Stock-based compensation	<u>\$6,576</u>	<u>\$5,205</u>

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**Note 10—Income Taxes**

The current and deferred tax components of the income tax provision for the years ended December 31, 2023 and 2022, are as follows (in thousands):

	Years Ended December 31,	
	2023	2022
U.S. federal		
Current	\$ 3,206	\$ 570
Deferred	(5,047)	(1,584)
Foreign		
Current	—	2
Deferred	—	(11)
State and local		
Current	86	77
Deferred	(150)	—
Income tax benefit	<u>\$ (1,905)</u>	<u>\$ (946)</u>

The reconciliation between the statutory and effective tax rates as of December 31, 2023 and 2022, are comprised of the following:

	December 31, 2023	December 31, 2022
Federal statutory rate	21.0%	21.0%
State and local income taxes, net of federal tax benefit	0.2	—
Foreign derived intangible income deduction	(14.7)	—
Tax credits	(1.8)	0.3
Foreign Tax - net of foreign tax credit	—	(2.9)
Stock-based compensation deferred expense	5.9	—
Other	1.5	(1.3)
Cost basis variance in digital asset acquisition costs	13.5	6.0
Impact of change in rates	(0.7)	—
Change in valuation allowance	<u>(42.2)</u>	<u>(19.3)</u>
Effective tax rate for income from continuing operations	<u>(17.3)%</u>	<u>3.8%</u>

*Effective Tax Rate*

For the year ended December 31, 2023, the change from the effective rate was primarily due to increases related to stock-based compensation and digital asset acquisition costs offset by a decrease related to the net tax benefit from U.S. Foreign Derived Intangible Income permanent tax benefit and change in valuation allowance.

For the year ended December 31, 2022, the change from the effective rate was primarily due to an increase related to digital asset acquisition costs and a decrease due to the change in valuation allowance on deferred tax assets.

The tax effects of temporary differences and tax loss and credit carry forwards that give rise to significant portions of deferred tax assets and liabilities as of December 31, 2023 and 2022, respectively, are comprised of the following (in thousands):

	December 31, 2023	December 31, 2022
Prepaid expenses	\$ (304)	\$ (576)
Intangible assets	791	—
Other	(47)	(96)
Fixed assets	(31)	(97)
Capitalization software, net of amortization	—	(193)
Digital assets	5,050	5,953

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	December 31, 2023	December 31, 2022
Stock-based compensation	950	928
Unrealized loss on investment	147	92
Net operating loss carryforward	<u>206</u>	<u>206</u>
Total	6,762	6,217
Less: valuation allowance	<u>(195)</u>	<u>(4,848)</u>
Net deferred tax assets	<u>\$6,567</u>	<u>\$ 1,369</u>

### *Valuation Allowance*

As of December 31, 2023, the Company's deferred tax assets were primarily comprised of capitalization and amortization of research and development expenses as required by the 2017 Tax Cuts and Jobs Act, deductions for stock-based compensation and basis differences in digital assets. A valuation allowance of \$0.2 million and \$4.8 million was reflected against the Company's gross deferred tax asset balance as of December 31, 2023 and December 31, 2022, respectively. For the year ended December 31, 2023 we released \$4.6 million of the Company's valuation allowance, related to the deferred tax asset for basis differences in digital assets, based on management's assessment that its deferred tax asset is more likely than not to be realized.

We make an ongoing assessment regarding the future realization of deferred tax assets. This assessment is based on the Company's evaluation of relevant evidence, including the existence deferred tax liabilities and expectations for future taxable income, that could affect the future realization of deferred tax assets. As of December 31, 2023, because the Company has unrealized capital gain sufficient to offset its deferred tax assets from basis differences in digital assets, management concluded that it is more likely than not that additional deferred taxes of \$4.6 million are realizable and released the valuation allowance accordingly.

For the years ended December 31, 2023, and December 31, 2022, the Company had a foreign net operating loss carryforward of \$0.2 million for both periods, which if unused will expire in year 2029. Based upon the historical cumulative income of its foreign subsidiary, management does not expect to realize the benefit of this deferred tax asset before it will expire. The Company has no material U.S. tax loss carryforwards.

For the years ended December 31, 2023 and December 31, 2022, management has established a valuation allowance of \$0.2 million and \$4.8 million, respectively, against the Company's deferred tax assets.

### *Open Periods*

Exodus is subject to taxation in the United States and foreign jurisdictions. As of December 31, 2023, tax years for 2020, 2021 and 2022 are subject to examination by tax authorities. With limited exceptions as of December 31, 2023, Exodus is no longer subject to U.S. federal, state, local or foreign examinations by tax authorities for years before 2020. Tax year 2019 was open as of December 31, 2022.

### *Uncertain Tax Positions*

The changes in the total amounts of uncertain tax positions are as follows (in thousands):

	Years Ended December 31,	
	2023	2022
Balance as of January 1	\$366	\$ —
Additions for tax positions of prior years	<u>46</u>	<u>366</u>
Balance as of December 31	<u>\$412</u>	<u>\$366</u>

The liability for uncertain tax position is a component of other long-term liabilities.

As of December 31, 2023 and 2022, there are \$0.4 million for both periods, of unrecognized tax benefits that, if recognized, would affect the annual effective tax rate. The Company recognizes interest and penalties accrued related to the unrecognized tax benefits in tax expense. During the years ended December 31, 2023 and 2022, the Company recognized less than \$0.1 million in interest and penalties for both periods.

[TABLE OF CONTENTS](#)**Note 11—Commitments and Contingencies****Legal Proceedings**

The Company is subject to a number of claims and proceedings that generally arise in the ordinary course of business, the outcome of which cannot be predicted with certainty. The Company does not believe that the liabilities from such ordinary course claims and proceedings will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. If the Company believes the losses are probable and can be reasonably estimated, reserves will be established. For matters where a reserve has not been established, the ultimate outcome or resolution cannot be predicted at this time or the amount of ultimate loss, if any, cannot be reasonably estimated. Litigation is subject to many uncertainties and there can be no assurance as to the outcome of the individual litigated matters. It is possible that certain of the actions, claims, inquiries or proceedings could be decided unfavorably to the Company or any of its subsidiaries involved. Accordingly, it is possible that an adverse outcome from such a proceeding could exceed the amount accrued in an amount that could be material to the Company's consolidated financial condition, results of operations or cash flows in any particular reporting period.

**Note 12—Fair Value Measurements**

The Company's financial assets are summarized below as of December 31, 2023 and December 31, 2022, with fair values shown according to the fair value hierarchy (in thousands):

	Carrying Value	Fair Value	Quoted Prices Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
December 31, 2023					
Mutual funds	\$ 8,477	\$ 8,477	\$ 8,477	—	—
Treasury bills	45,463	45,463	45,463	—	—
Security Token Group investment	<u>100</u>	(A)	—	—	—
	<u>\$54,040</u>				
December 31, 2022					
Mutual funds	\$10,986	\$10,986	\$10,986	—	—
Treasury bills	35,971	35,971	35,971	—	—
iZERO investment	348	348	348	—	—
Certificate of deposit	246	246	—	246	—
Security Token Group investment	<u>100</u>	(A)	—	—	—
	<u>\$47,651</u>				

(A) This investment is recorded at cost.

In August 2022, the Company began investing in held to maturity treasury bills. Discount rates ranged from 0.4% to 2.6% and 0.6% to 2.2% as of December 31, 2023 and 2022, respectively. The Company held treasury bills in other current assets in the amount of \$43.2 million and \$31.9 million as of December 31, 2023 and 2022, respectively.

*Assets and Liabilities Not Measured and Recorded at Fair Value*

The Company's financial instruments, including USDC, are carried at cost, which approximates their fair value. If these financial instruments were recorded at fair value, they would be based on Level 1 inputs.

[TABLE OF CONTENTS](#)**Note 13—Earnings Per Share**

The following table sets forth the computation of basic and diluted net income (loss) per share of common stock (in thousands, except per share amounts):

	Years Ended December 31,	
	2023	2022
Numerator:		
Net income (loss), basic and diluted	\$12,786	\$(23,146)
Denominator:		
Basic weighted average common shares – Class A	3,909	3,216
Basic weighted average common shares – Class B	21,797	22,826
Basic net income (loss) per share:		
Basic net income (loss) per share - Class A	\$ 3.27	\$ (7.20)
Basic net income (loss) per share - Class B	\$ 0.59	\$ (1.01)
Denominator:		
Diluted weighted average common shares – Class A	7,185	3,216
Diluted weighted average common shares – Class B	23,976	22,826
Diluted net income (loss) per share:		
Diluted net income (loss) per share - Class A	\$ 1.78	\$ (7.20)
Diluted net income (loss) per share - Class B	\$ 0.53	\$ (1.01)

Diluted earnings per share includes the dilutive effect of common stock equivalents and is computed using the weighted-average number of common stock and common stock equivalents outstanding during the reporting period. Diluted earnings per share for the year ended December 31, 2022 excluded common stock equivalents because the effect of their inclusion would be anti-dilutive or would decrease the reported loss per share.

The following table sets forth securities outstanding that could potentially dilute the calculation of diluted earnings per share (in thousands):

	Year Ended December 31,
	2022
Stock options outstanding	2,222
Unvested RSUs	554
Number of anti-dilutive shares	<u>2,776</u>

**Note 14—Related Party**

For the years ended December 31, 2023 and 2022, related party transactions included:

Exodus signed an Application Development and Technology Agreement (the “Technology Agreement”) with tZERO Technologies, LLC (“tZERO”) in May of 2021. tZERO is a software technology company that provides its technology to tZERO Markets, LLC to enable it to provide licensed, efficient and automated securities brokerage services to its retail customers (the “tZERO Technology”). Pursuant to the Technology Agreement, Exodus integrated certain APIs of tZERO to create a tZERO application within the Exodus Platform that allows investors to open a securities brokerage account and submit orders to purchase and sell securities via the tZERO Technology.

- There was less than \$0.1 million of consulting expense for both of the years ended December 31, 2023 and 2022.
- No revenue attributable to tZERO was recorded for the year ended December 31, 2023. In December 31, 2022, \$0.1 million was settled in tZERO Preferred Shares.
- Unrealized loss on investments attributable to tZERO of \$0.1 million and unrealized gain on investments attributable to tZERO of \$0.1 million for the years ended December 31, 2023 and 2022, respectively.

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- There were no related party transactions attributable to tZERO in other investments as of December 31, 2023 and \$0.3 million as of December 31, 2022.
- The Company's relationship with tZERO ended on December 11, 2023. Upon termination, the Company paid a less than \$0.1 million off-boarding fee included in consulting expense and the investment in tZERO was fully impaired. \$0.2 million was recorded in impairment of assets for the year ended December 31, 2023.

**Note 15—Subsequent Events**

Management has evaluated subsequent events occurring after the consolidated balance sheet date through the date of February 28, 2024, the date for which the consolidated financial statements were available to be released. Based upon this evaluation, Management has determined that no subsequent events have occurred.

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**Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures**

The Company disclosed information responsive to this Item 14 in its Form 1-U, Item 4 filed on [January 6, 2023](#), which is hereby incorporated by reference.

**Item 15. Financial Statements and Exhibits**

(a) **Financial Statements**

The financial statements can be found in Item 13, “Financial Statements and Supplementary Data”, of this Report.

Consolidated Balance Sheets as of December 31, 2023 and December 31, 2022

Consolidated Statements of Operations and Comprehensive Income (Loss) for the Years Ended December 31, 2023 and 2022

Consolidated Statement of Stockholders’ Equity for the Years Ended December 31, 2023 and 2022

Consolidated Statements of Cash Flows for the Years Ended December 31, 2023 and 2022

(b) Exhibits

<b>Exhibit Number</b>	<b>Description</b>
<a href="#">3.1*</a>	Amended and Restated Certificate of Incorporation of Exodus Movement, Inc.
<a href="#">3.2</a>	Amended and Restated Bylaws of Exodus Movement, Inc. (incorporated by reference to Exhibit 2.2 to the Company’s Form 1-A filed April 8, 2021).
<a href="#">10.1†</a>	Exodus Movement, Inc. 2019 Equity Incentive Plan of Exodus Movement, Inc. (incorporated by reference to Exhibit 6.1 to the Company’s Form 1-A filed April 8, 2021).
<a href="#">10.2*</a>	Amended form of API Agreement (U.S. Crypto-to-Crypto Exchanges).
<a href="#">10.3</a>	Form of API Agreement (International Crypto-to-Crypto Exchanges) (incorporated by reference to Exhibit 6.3 to the Company’s Form 1-A filed April 8, 2021).
<a href="#">10.4</a>	Platform Services, Transfer Agent and Registrar Agreement, dated as of December 23, 2020, by and between Securitize LLC. and Exodus Movement, Inc. (incorporated by reference to Exhibit 6.5 to the Company’s Form 1-A filed April 8, 2021).
<a href="#">10.5</a>	Order Form 2, dated as of January 14, 2021, by and between Securitize LLC and Exodus Movement, Inc. (incorporated by reference to Exhibit 6.6 to the Company’s Form 1-A filed April 8, 2021).
<a href="#">10.6†</a>	Exodus Movement, Inc. 2021 Equity Incentive Plan (incorporated by reference to Exhibit 6.7 to the Company’s Form 1-K filed March 7, 2022).
<a href="#">10.7†*</a>	Form of Restricted Stock Unit Award Agreement under the Exodus Movement, Inc. 2021 Equity Incentive Plan.
<a href="#">10.8†</a>	Offer Letter, dated as of June 14, 2022, by and between Exodus Movement, Inc. and Matias Olivera, (incorporated by reference to Exhibit 6.11 to the Company’s Form 1-K filed May 1, 2023).
<a href="#">10.9†*</a>	Director Offer Letter, dated as of August 10, 2023, by and between Exodus Movement, Inc. and Margaret Knight.
<a href="#">10.10†*</a>	Director Offer Letter, dated as of January 26, 2024, by and between Exodus Movement, Inc. and Carol MacKinlay.
<a href="#">10.11†*</a>	Director Offer Letter, dated as of January 24, 2024, by and between Exodus Movement, Inc. and Tyler Skelton.
<a href="#">16.1</a>	Letter from WithumSmith+Brown, P.C., dated January 6, 2023 (incorporated by reference to Exhibit 9.1 to the Company’s Form 1-U filed January 9, 2023).
<a href="#">21*</a>	Subsidiaries of the Registrant.

\* Filed herewith.

† Indicates a management contract or compensatory plan

**SIGNATURES**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the issuer has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

EXODUS MOVEMENT, INC.

Date February 28, 2024

By: /s/ James Gernetzke  
James Gernetzke  
Chief Financial Officer

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# **Delaware**

The First State

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "EXODUS MOVEMENT, INC.", FILED IN THIS OFFICE ON THE TWENTY-FOURTH DAY OF FEBRUARY, A.D. 2021, AT 4:22 O'CLOCK P.M.*

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed in a small font.

Jeffrey W. Bullock, Secretary of State



**CERTIFICATE OF AMENDMENT TO THE  
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF  
EXODUS MOVEMENT, INC.**

Exodus Movement, Inc., a corporation organized and existing under the laws of the State of Delaware (the “**Company**”), certifies that:

1. The name of the Company is Exodus Movement, Inc. The Company’s original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on July 25, 2016.
2. This Certificate of Amendment to the Amended and Restated Certificate of Incorporation (this “**Certificate of Amendment**”) was duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware, and has been duly approved by the written consent of the stockholders of the Company in accordance with Section 228 of the General Corporation Law of the State of Delaware.
3. Article IV of the Company’s Amended and Restated Certificate of Incorporation, filed with the Secretary of State of the State of Delaware on August 27, 2020, is hereby amended and restated in its entirety to read in its entirety as follows:

The total number of shares of capital stock the Company has authority to issue is (i) 60,000,000 shares of Common Stock, par value \$0.000001 per share (“**Common Stock**”), divided into two series, consisting of (a) 32,500,000 shares denominated “**Class A Common Stock**” and (b) 27,500,000 shares denominated “**Class B Common Stock**” and (ii) 5,000,000 shares of Preferred Stock, par value \$0.000001 per share (“**Preferred Stock**”).

Upon the effectiveness of this Certificate of Amendment (the “**Effective Time**”), each outstanding share of Common Stock shall be subdivided, exchanged and split into two shares of Common Stock (the “**Forward Split**”). The Forward Split shall occur automatically without any further action by the Company or by the holders of the shares affected thereby and whether or not the certificates representing such shares immediately prior to the Effective Time (the “**Old Certificates**”) are surrendered to the Company. The Forward Split shall also apply to any outstanding securities or rights convertible into, or exchangeable or exercisable for, Common Stock of the Company. The Forward Split shall be effected on a certificate-by-certificate basis and no fractional shares shall be issued upon the exchange and subdivision. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay an amount of cash equal to the product of (i) the fractional share to which the holder would otherwise be entitled and (ii) the then fair value of a share as determined in good faith by the Board of Directors of the Company. Following the Effective Time, each Old Certificate shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the Old Certificate shall have been subdivided and exchanged, subject to the elimination of fractional share interests as described above, until such time as such Old Certificate has been surrendered to the Company.”

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IN WITNESS WHEREOF, Exodus Movement, Inc. has caused this Certificate of Amendment to the Amended and Restated Certificate of Incorporation to be signed by Jon Paul Richardson, a duly authorized officer of the Company on February 24, 2021.

DocuSigned by:  
*JP Richardson*

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Jon Paul Richardson  
Chief Executive Officer

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## API TECHNOLOGY AGREEMENT

This **API Technology Agreement** dated as of \_\_\_\_\_, 2024 (this "**Agreement**"), is made by and between **Exodus Movement, Inc.**, a Delaware corporation ("**Exodus**") and \_\_\_\_\_, a company incorporated in \_\_\_\_\_ ("**Provider**").

### RECITALS

- A. Exodus is a software company that has developed the Exodus Wallet (the "**Exodus Unhosted Wallet**"), which is an unhosted and non-custodial software wallet for multiple types of cryptocurrencies and cryptographic assets (collectively, "**crypto-assets**"). The Exodus Platform can currently be downloaded from the *exodus.io* website, the iOS app store, and the Google Play store.
- B. Provider provides an application program interface ("**API**") to permit Exodus wallet users to exchange crypto-assets (the "**Services**").
- C. Exodus and Provider wish to integrate Provider's API technology into the Exodus Unhosted Wallet for users located in the United States and its territories.

### AGREEMENT

In consideration of the recitals, mutual covenants, and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

#### **Section 1. Term and Termination.**

(a) **Term.** The term of this Agreement shall commence on the date of this Agreement and shall continue until terminated.

(b) **Termination.**

(i) **Termination for Convenience.** This Agreement may be terminated for any reason by any party upon at least thirty (30) days advance written notice to the other party.

(ii) **Termination for Uncured Breach.** Either party to this Agreement may, upon written notice to the other party, terminate this Agreement in the event of such other party's breach of any material representation, warranty, or covenant of this Agreement that is not cured within thirty (30) days following receipt of written notice from the non-breaching party describing such breach in reasonable detail.

(iii) **Immediate Termination.** This Agreement may be immediately terminated by either party in the event of (a) fraudulent or willful misconduct of the other party, (b) the violation of any applicable anti-money laundering or sanctions compliance law, regulation, or directive by the other party, (c) the insolvency, bankruptcy or receivership of any party, (d) the transactions contemplated by this Agreement being prohibited by any applicable statute, regulation, or directive of any other applicable regulatory authority, or (e) such party being directed by any governmental authority to terminate this Agreement.

(c) **Effect of Termination.** Termination of this Agreement by any party shall not act as a waiver of any breach of this Agreement and shall not act as a release of any party from any liability for breach of such party's obligations under this Agreement. Neither party shall be liable to the other for damages of any kind solely as a result of terminating this Agreement in accordance with its terms, nor termination of this Agreement by a party shall be without prejudice to any other right or remedy of such party under this Agreement or applicable law.

**Section 2. Subscription Fees to Exodus.**

(a) **Monthly Subscription Fee.** In consideration of Exodus's integration of Provider's API into the Exodus Unhosted Wallet software, Provider shall pay Exodus a monthly subscription fee based on a tiered system in which the Provider will pay \$\_\_\_\_\_ per \$\_\_\_\_\_ in volume processed (the "Monthly Subscription Fee"), that will be paid by Provider in arrears, in Bitcoin or USDC on the last day of each calendar month. The first Monthly Subscription Fee payable under this Agreement shall be paid by the Provider on \_\_\_\_\_, 2024.

(b) **Transparency.** The Provider will use commercially reasonable efforts to arrange a way for Exodus to view the accrual of Monthly Subscription Fees on a real-time basis.

**Section 3. Duties; Representations and Warranties.**

(a) **Duties of Company.** During the Term of this Agreement, Exodus shall promptly respond to any inquiries from the Provider with respect to the integration of the API in the Exodus Unhosted Wallet. Notably, Exodus is under no obligation to use the API in the Exodus Unhosted Wallet, nor require, request or encourage any User to use the API in the Exodus Unhosted Wallet during the Term of this Agreement. In integrating the API into the Exodus Unhosted Wallet, Exodus shall comply with all applicable statutes and regulations, including, but not limited to, any applicable regulations of, or published guidance from any applicable regulatory authority.

(b) **Duties of Provider.** During the Term of this Agreement, Provider shall provide the API connection software to Exodus to permit the Services to be incorporated into the Exodus Unhosted Wallet, with respect to users of the Exodus Wallet located inside of the United States and its territories. Provider shall promptly respond to inquiries from Exodus with respect to the API and Services. Provider shall implement systems and procedures to ensure that, subject to the restrictions of applicable laws and regulations, which are in force at the time of the Agreement, that any User of the Services will be treated with the same fairness and good faith as any other users of Provider's Services.

(c) **Representations of Exodus.** The Company represents and warrants to Provider that (i) Company is organized, validly existing and in good standing under the laws of the state of Delaware, with all requisite power and authority to enter into this Agreement and conduct its business as it is now being conducted; (ii) Company is not identified on any sanctions list maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"); (iv) Company has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business as presently conducted in all material respects; (v) a copy of Exodus's Articles of Incorporation, as currently in full force and effect, and a Significant Shareholder List has been shared with the Provider.

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(d) **Representations of Provider.** Provider represents and warrants that (i) Provider is organized, validly existing and in good standing, with all requisite power and authority to enter into this Agreement and conduct its business as it is now being conducted, (ii) Provider is not identified on any sanctions lists maintained by OFAC; (iii) Provider will comply with all applicable sanctions and export control laws and will not intend to provide the Services under this Agreement to any parties that, at the time such Services are provided, are (A) located or resident in any country or territory that is subject to a U.S. trade embargo or other applicable sanctions prohibiting such services, including but not limited to, the Crimea region of Ukraine, Cuba, Iran, North Korea, and Syria or (B) identified on any of the OFAC Lists or other applicable sanctions list prohibiting such services, and in the event of the breach, if it becomes known to the Provider, the Provider will take all possible actions to terminate the provision of the Services; (iv) Provider has implemented sanctions compliance procedures reasonably designed to ensure compliance with OFAC sanctions regulations and other applicable sanctions laws; (v) Provider will promptly notify the Company if Provider or any of its owners, controllers, employees, consultants, or other service providers is identified on any of the OFAC Lists or other applicable sanctions list; (vi) Provider has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business as presently conducted in all material respects; and (vii) a copy of Provider's Articles of Association, as currently in full force and effect, and a Significant Shareholder List has been shared with Exodus.

(e) EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, COMPANY UNDERSTANDS AND AGREES THAT THE API IS PROVIDED BY PROVIDER "AS IS" AND "AS AVAILABLE" WITHOUT WARRANTIES OF ANY KIND EITHER EXPRESS OR IMPLIED. TO THE FULLEST EXTENT PERMISSIBLE PURSUANT TO APPLICABLE LAW, PROVIDER MAKES NO EXPRESS WARRANTIES AND DISCLAIMS ALL IMPLIED WARRANTIES REGARDING THE API, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, CORRECTNESS, ACCURACY, AND RELIABILITY.

(f) **Independent Contractor Relationship.** The relationship between the parties shall be that of independent contractors. Nothing in this Agreement shall be construed to create the relationship of employer and employee, a joint venture, a partnership, or joint association between the parties to this Agreement and or any of their respective affiliates. Exodus shall solely be responsible for any income tax payments related to this Agreement.

#### **Section 4. Intellectual Property Rights**

(a) **License to Use API In Exodus Unhosted Wallet.** Subject to the terms and conditions of this Agreement, Provider grants to Exodus a limited, royalty-free, paid-up, worldwide, non-exclusive, and non-transferable license, during the Term of this Agreement, to (i) execute and use the API in the Exodus Unhosted Wallet software application and (ii) use Provider's copyrighted work embodied in the API.

(b) **Exodus - Retention of Rights.** Exodus reserves all rights, title, and interest in and to any materials produced by Exodus, including, without limitation, all patent rights, copyrights, trademarks, trade secrets, and all other intellectual property rights. Exodus shall retain all right, title, and interest in the Exodus Unhosted Wallet, and shall own all improvements thereon. Provider shall not acquire any rights, title, or interest, express or implied, to the Exodus Unhosted Wallet or any other software or service produced by Exodus, nor to any derivative works, modifications, enhancements, improvements, translations or other alterations thereto, and nothing in this Agreement shall be deemed to grant Provider any right, title or interest in the Exodus Unhosted Wallet, nor to any derivative works, modifications, enhancements, improvements, translations or other alterations thereto ("Exodus Derivative Works"). To the extent any assignment is necessary to evidence the intent of this section, Provider agrees to assign to Exodus all of its right, title, and interest in and to such Exodus Derivative Works, and any part thereof, and in and to all copyrights, patents, and other proprietary rights Provider may have in such Exodus Derivative Works.

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(c) **Provider - Retention of Rights.** Provider reserves all rights, title, and interest in and to any materials produced by Provider including, without limitation, all patent rights, copyrights, trademarks, trade secrets, and all other intellectual property rights. Provider shall retain all rights, titles, and interests in the API, and shall own all improvements thereon. Other than the license granted during the Term of this Agreement, Exodus shall not acquire any rights, title, or interest, express or implied, to the API or any software or service produced by Provider, and nothing in this Agreement shall be deemed to grant Exodus any right, title or interest in the API, nor to any derivative works, modifications, enhancements, improvements, translations or other alterations thereto (“Provider Derivative Works”). To the extent any assignment is necessary to evidence the intent of this section, Exodus agrees to assign to Provider all of its right, title, and interest in and to such Provider Derivative Works, and any part thereof, and in and to all copyrights, patents and other proprietary rights they may have in such Provider Derivative Works.

## **Section 5. Confidentiality**

(a) **General.** The Receiving Party shall not disclose any Confidential Information to any party other than to the Representatives of the Receiving Party who have a specific need to know the information in connection with the terms and conditions of this Agreement. If the Receiving Party is required by law, court order, or governmental authority to produce Confidential Information of the Disclosing Party, the Receiving Party must immediately notify the Disclosing Party of that obligation prior to its disclosure, unless such notification is prohibited by applicable law.

### (b) **Definitions.**

(i) “Confidential Information” means any information (whether oral, written, electronic or otherwise) provided by the Disclosing Party to the Receiving Party that (A) relates to the Disclosing Party’s business, (B) is not known generally to the industry in which the Disclosing Party may be engaged, and (C) is not otherwise generally available to the public. Confidential Information includes, but is not limited to, any and all of the Disclosing Party’s intellectual property (including, but not limited to, patents, trademarks, and copyrights), trade secrets, proprietary data, or information relating to past, present, or future business and products; price lists, customer lists, customer addresses, customer telephone numbers, and customer files; information pertaining to processes, procedures or standards; manuals, business strategies, records, drawings, specifications, or designs; financial information, whether or not in writing; and any other information or data which the Disclosing Party advises the Receiving Party in writing to be treated as confidential information. Confidential Information does not include information that (I) is or becomes publicly available other than as a result of a disclosure by the Receiving Party or the Receiving Party’s employees, (II) is or becomes available to the Receiving Party on a non-confidential basis from a source (other than the Disclosing Party) that, to the best of the Receiving Party’s knowledge after due inquiry, is not prohibited from disclosing such information to the Receiving Party by a legal, contractual or fiduciary obligation to the Disclosing Party, (III) is independently developed by the Receiving Party without use of the Confidential Information, or (IV) is already known by the Receiving Party at the time of this Agreement.

(ii) “Disclosing Party” means any party to this Agreement who discloses information to the other party to this Agreement.

(iii) “Receiving Party” means any party to this Agreement who receives information from the other party to this Agreement.

(iv) “Representatives” means a party’s directors, officers, employees, attorneys, accountants, financial advisors, and consultants.

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**Section 6. Miscellaneous.**

(a) **Notices.** All notices or other communications shall be deemed to have been delivered if sent by e-mail, on the date that the e-mail is received by the recipient in a legible form.

If to Exodus:

Exodus Movement, Inc.  
Attn: Legal Department  
15418 Weir Street, No. 333  
Omaha, NE 68137  
E-MAIL: legal@exodus.io

If to Provider:

Name  
Title  
Address  
E-MAIL:

(b) **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without reference to conflicts of laws principles thereof. Each party hereby waives trial by jury in any court action or proceeding to which they may be parties, arising out of, in connection with, or in any way pertaining to, this Agreement.

(c) **Amendment.** This Agreement may be amended or modified only by a written agreement signed by all of the parties hereto.

(d) **Equitable Relief.** Each party acknowledges and agrees that, notwithstanding any other provisions of this Agreement, breach of Sections 4 and 5 of this Agreement will cause the other party irreparable damage for which recovery of money damages would be inadequate, and that the party that has suffered the breach shall, therefore, be entitled to institute a suit and without posting bond, obtain an injunction against such party, whether interlocutory or preliminary and to any other equitable relief, before any court, restraining any such breach.

(e) **Limitations on Liability.**

(i) **Indirect or Punitive Damages.** Neither party to this Agreement will be liable to the other party in any event for any special, incidental, consequential, indirect, or punitive damages (including but not limited to loss of business profits, business interruption, or loss of business information), even if informed of the possibility thereof in advance), regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose or otherwise, and even if advised of the possibility of such damages.

(ii) **Force Majeure.** Neither party to this Agreement shall be liable for damages for any delay or failure of delivery arising out of causes beyond their reasonable control and without their fault or negligence, including, but not limited to, acts of God, acts of civil or military authority, fires, riots, wars or embargoes.

(f) **Expenses.** Each party shall be responsible for its own legal and accounting fees and any related costs or charges associated with the negotiation, execution, and consummation of this Agreement.

(g) **Entire Agreement; Termination of Prior Agreements.** This Agreement contains the entire understanding of the parties with respect to activities contemplated by this Agreement. This Agreement supersedes and terminates all prior agreements and understandings between the parties to this Agreement, whether written or oral.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered on the date first above written.

**EXODUS MOVEMENT, INC.**

**PROVIDER.**

By: \_\_\_\_\_  
James Gernetzke  
Chief Financial Officer

By: \_\_\_\_\_  
[Name]  
[Title]

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EXODUS MOVEMENT, INC.  
2021 EQUITY INCENTIVE PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT

This Restricted Stock Unit Award Agreement (the “*Agreement*”) is made on [DATE], 202\_\_, between Exodus Movement, Inc., a Delaware corporation (the “*Company*”), and [NAME] (“*you*”).

Grant Date	[DATE]
Number of Restricted Stock Unit Awards	[NUMBER]
Vesting Commencement Date	Grant Date
Vesting Schedule	See Section 1
Effect of Termination of Continuous Service	See Section 1
Governing Plan	2021 Equity Incentive Plan (the “ <i>Plan</i> ”)

IN WITNESS WHEREOF, the Company and you have executed this Agreement, effective as of the Grant Date. You acknowledge receipt of, and understand and agree to, this Agreement and the Plan.

EXODUS MOVEMENT, INC.:

GRANTEE:

\_\_\_\_\_  
Aliah Church  
Director of People and Talent

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

1. **Award.** The Company is granting to you the Restricted Stock Unit Awards (the “*Units*”) designated above subject to the terms and conditions of this Agreement.

Event	Results
a. Continuous Service to a Vesting Date	Vesting of 1/4 of the Units on the first anniversary of the Grant Date; and vesting of 1/48 of the Units on the first day of each month thereafter through and including [DATE] (each is a “ <i>Vesting Date</i> ”).  Vesting will cease upon the termination of your Continuous Service. Subject to the terms and conditions of this Agreement and the Plan, any Units that have not yet vested will be forfeited on the termination of your Continuous Service.
b. Termination Due to Death	Immediate vesting of all nonvested Units.
c. Termination Due to Disability	Immediate vesting of all nonvested Units.
d. Change in Control	Immediate vesting of all nonvested Units.
e. Voluntary Termination on or After Attaining Age 62 ‘Retirement’	If you had attained age 62 with at least five (5) years of Continuous Service with the Company on your termination date, and retire at least one year after the Grant Date, your nonvested Units will continue vesting through the end of the month of your retirement. Thereafter, any nonvested Units will be forfeited.
f. Involuntary Termination Without Cause	If your Continuous Service is involuntarily terminated without Cause (as determined by written notice to you from the Company), your nonvested Units will continue vesting through the end of the month of your termination of employment. Thereafter, any nonvested Units will be forfeited.
g. Any Other Voluntary or Involuntary Termination	If your Continuous Service is voluntarily or involuntarily terminated for any other reason (including for Cause), your vested and nonvested Units will be forfeited.

2. **Prior Agreements.** This Agreement amends, restates and supersedes any and all prior Restricted Stock Unit award agreements by and between the parties. No other representations or statements, verbal or written, shall modify, add to, or change the terms of this Agreement.
3. **Settlement.** The Units granted to you under this Agreement will be converted to shares of the Company’s Class A Common Stock (“*Common Stock*”) and delivered to you within a reasonable period of time following the Vesting Date (“*Settlement*”). The Units that vest in connection with your termination of Continuous Service as provided above will be converted to shares of Common Stock and distributed to you within a reasonable period of time following your termination of Continuous Service. The portion of the Units that vest in connection with your termination of Continuous Service as provided in Section 1 above will be converted to shares of Common Stock and distributed to you within a reasonable period of time following the Vesting Date. Any forfeited nonvested Units shall remain in the Plan and shall be available for future awards by the Company.
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4. **Withholding of Tax.** Generally, when the Units are vested you will be required, for income tax purposes, to recognize the value of the shares of Common Stock delivered to you. The value of a share of Common Stock is the Fair Market Value on the Vesting Date. You must satisfy any required income tax and employment tax withholding when your Units vest. You may satisfy any related minimum statutory tax withholding obligations by tendering a cash payment, reducing the number of shares otherwise deliverable to you and/or by deducting an amount from other cash compensation that is payable to you. You must notify the Company of your election on or prior to the Vesting Date; if you do not provide such notice, you are hereby authorizing the Company to deduct the appropriate mandatory withholding amounts from other cash compensation payable to you. Any amounts required to be withheld, not covered by the foregoing provisions, shall be paid through a payroll deduction on your next paycheck.
5. **Certain Rights.** The Units are not entitled to dividends payable on Common Stock. If any adjustment in the Company's capitalization as described in the Plan occurs, appropriate adjustments will be made (as provided in the Plan) to the remaining Units under this Agreement in such a manner as the Board determines to be equitable in its sole discretion. You shall be a general, unsecured creditor of the Company with respect to the Company's obligations under this Agreement.
6. **Voting Rights.** The Units are not entitled to the voting rights associated with Common Stock.
7. **Transferability.** Except as otherwise provided in this Section 7, the Units are not transferable, except by will or by the laws of descent and distribution, and are exercisable during your life only by you.
- 7.1 You may transfer the Units to a trust if you are considered to be the sole beneficial owner (determined under Section 671 of the Code and applicable state law) while the Units are held in the trust. You and the trustee must enter into transfer and other agreements required by the Company.
- 7.2 Provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer the Units pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulation 1.421-1(b)(2) that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of the Units with the Company prior to finalizing the domestic relations order or marital settlement agreement to help ensure the required information is contained within the domestic relations order or marital settlement agreement.
- 7.3 You may, by delivering written notice to the Company, in a form approved by the Company and any broker designated by the Company to handle the Units, designate a third party who, on your death, will thereafter be entitled to the Units. In the absence of such a designation, your executor or administrator of your estate will be entitled to the Units.
8. **Restrictive Covenants.**
- 8.1 In consideration of your rights under this Agreement and in addition to the restrictive covenants contained in any employment agreement with the Company, you agree and covenant not to:
- a. disclose any of the Company's Confidential Information except as expressly authorized in writing by the Company or as may be required by applicable law or a valid court order. "Confidential Information" means any information that relates to the Company's actual or anticipated business or research and development, customer information, product information, technical data, trade secrets or know-how, and all other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary. Confidential Information does not include any of the foregoing information that is or becomes publicly known through no wrongful act or omission by you or by others who were under confidentiality obligations as to the disclosed information; or
  - b. during the twelve (12) months following termination of your Continuous Service for any reason, directly or indirectly, solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee of the business(es) of the Company, its affiliates or subsidiaries if you have been involved with such business(es) or had access to the Confidential Information of such business(es).
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8.2 In the event of a breach of any of the covenants contained in Section 8.1:

- a. you hereby consent and agree that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief; and
- b. any vested or nonvested Units will be terminated effective as of the date of such breach, unless sooner terminated by operation of another term or condition of this Agreement or the Plan.

8.3 The Company and you agree that, to the extent permitted under applicable law, any court of competent jurisdiction is expressly authorized to modify any unenforceable provision of this Section 8 in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, adding additional language to the offending provision, or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law. The Company and you expressly agree that this Agreement as so modified by the court shall be binding and enforceable.

9. **Code Section 409A.** Some or all of the Units may be subject to Code Section 409A. If a Unit is subject to Code Section 409A and if you are a “specified employee” (as defined under Code Section 409A) on the date your Continuous Service is terminated, the settlement of any such Unit that is due upon your termination of Continuous Service will be deferred until the seventh calendar month following the calendar month of your “separation from service” (as defined under Code Section 409A).

This Agreement is intended to comply with Code Section 409A and shall be construed and interpreted in accordance with such intent. Any provision of this Agreement that would result in the imposition of the additional tax under Code Section 409A shall be amended on a timely basis to eliminate, or reduce to the extent possible, the additional tax. Such amendment may be made on a retroactive basis, in accordance with regulations and other guidance issued under Code Section 409A.

10. **Lock-Up Period.** You agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any of the Units, Common Stock or other securities of the Company held by you, for a period of 180 days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rules or regulation (the “*Lock-Up Period*”); provided, however, that nothing contained in this section will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your Units, Common Stock or other securities of the Company until the end of such period.

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**11. General.**

- 11.1 Capitalized terms used, and not otherwise defined, herein shall have the same meanings given to them in the Plan.
- 11.2 If there is any conflict between the terms in this Agreement and the Plan, the terms of the Plan will control.
- 11.3 You have been advised as to how you can obtain a copy of the Plan and you agree that the Units shall be subject to all of the terms and conditions set forth in the Plan, including future amendments thereto, if any, pursuant to the terms thereof, which Plan is incorporated herein by reference as part of this Agreement.
- 11.4 The authority to manage and control the operation and administration of this Agreement shall be vested in the Board, and the Board shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Board and any decision made by it with respect to the Agreement is final and binding.
- 11.5 Provided you continue to provide Continuous Service to the Company, or any of its affiliates or subsidiaries, your rights to the Units will not be affected by any change of your duties or position. Nothing in this Agreement shall confer upon you any right to provide Continuous Service to the Company or to interfere in any way with the right of the Company to terminate your Continuous Service at any time. The transfer of Continuous Service between any combination of the Company and any of its affiliates or subsidiaries shall not be deemed a termination of Continuous Service.
- 11.6 The Company is not obligated to issue or deliver any shares of Common Stock if the issuance or delivery thereof shall constitute a violation of any provision of any law or any regulation of any governmental authority or any national securities exchange.
- 11.7 You have read and understand this entire Agreement and agree to be bound by its terms.

**12. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming to be your successor.

**13. Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

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Exodus Movement, Inc.  
15418 Weir St., Suite 333  
Omaha, NE, 68137

August 10, 2023

Margaret Knight  
18663 Howe St.  
Omaha, NE 68130  
maggieknight@crieghton.edu

Dear Ms. Knight:

This letter serves to confirm your agreement to serve as a member of the Board of Directors (the “**Board**”) of Exodus Movement, Inc. (the “**Company**”), on the following terms and conditions.

1. Position. You agree to serve as a member of the Board, subject to your appointment and any required stockholder approval in accordance with the Company’s amended and restated certificate of incorporation and amended and restated bylaws (the “**Governing Documents**”). Your appointment shall be for a period of two years beginning on August 31st, 2023, and ending on August 30th, 2025, unless earlier terminated due to your resignation or other removal pursuant to the Governing Documents. Upon the forthcoming creation of the Company’s Audit Committee, it is anticipated that you will be nominated to serve as the Chair of the Audit Committee.
2. Meetings. The Board’s meeting schedule is expected to include quarterly regular meetings, plus additional special meetings as called by the Board from time to time. Additionally, to the extent that you serve on any committees of the Board, those committees may have additional meetings. Board and committee meetings may be held in person or via telephone/video conference. We expect that your schedule would permit, absent unusual circumstances, you to attend all the meetings of the Board and any committees of which you are a member. Additionally, members of the Board may be periodically expected to attend training sessions to enhance their knowledge of relevant laws, corporate governance trends, and company policies.
3. Compensation. Your initial compensation for your service on the Board is as set forth on Schedule A; provided, however, that (i) your entitlement to any such compensation is subject to your continued service as a Board member, and any policies adopted by the same, (ii) nothing in this letter agreement or any agreement granting you any equity-based awards should be construed to interfere with or otherwise restrict in any way the rights of the Company, the Board or the Company’s stockholders from removing you or any other Director from, or failing to reelect you to, the Board or any committee in accordance with the provisions of applicable law and the Governing Documents, and (iii) the Company does not intend to afford you any rights as an employee, including without limitation, the right to employment or any other benefits.

Your compensation may be modified from time to time on the same basis as similarly situated Board members, which may include, without limitation, any compensation policy or program that the Board may adopt from time to time for non-employee members of the Board.

4. Business Expenses. Reasonable travel and other business expenses incurred by you in the performance of your duties to the Company for which you receive advance permission will be reimbursed by the Company in accordance with the Company's policies in effect from time to time.
5. Indemnification. You will be indemnified to the fullest extent provided by the Company's Governing Documents, the provisions of which related to indemnification, successful defense, limitation of liability, and advancement of expenses, as in effect as of the date of this Agreement, shall not be modified without prior written notice to you. Should such provisions of the Company's Governing Documents be amended, you shall have the right to immediately terminate this Agreement, with prorated compensation due within thirty (30) days of such termination. The Company will maintain at least \$2.5 Million in D&O coverage for the duration of your term as a Director and will agree to review the D&O policy for increased coverage during the policy's renewal period in May. In addition to the foregoing, to the fullest extent permitted by law, Company shall defend, indemnify, and hold you harmless, and your affiliates, agents, successors, and assigns (collectively, the "Indemnified Persons") from and against all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind (including reasonable attorneys' fees) arising out of or resulting from (a) any actions taken or omitted to be taken by you on behalf of, or in connection with, the Company, (b) any third party claims based on actions taken or omitted to be taken by the Company in connection with services provided by you, or (c) for any violation by the Company of any applicable law or violation of this Agreement. The indemnification provided by this Section shall not be deemed to be exclusive of any other rights to which any Indemnified Person may be entitled under any agreement, as a matter of law, in equity, or otherwise, including but not limited to the Company's Governing Documents. The parties hereto acknowledge and agree that the indemnification obligations set forth in this Agreement shall survive termination of this Agreement.
6. Confidentiality. At all times during your service as a Director, you agree not to disclose any Company confidential information outside of the Company, and you further agree not to use any such information for any purpose outside of your role as a Director without express written consent from the Company. As a condition of your appointment to the Company's Board of Directors, you will be required to sign the Company's Standard Non-Disclosure Agreement for Directors.
7. Conflicts. The Company is a Delaware corporation and your rights and duties as a Board member are prescribed by Delaware law and the Governing Documents, as well as by the policies established by our Board from time to time and the rules and regulations of any exchange on which the Company's securities may become listed. In accepting this offer, you are representing to us that you do not know of any conflict that would restrict you from becoming a director of the Company and exercising your fiduciary duties as required under Delaware law. You also agree that, during the term of your directorship with the Company, you will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of your directorship, nor will you engage in any other activities that conflict with your obligations to the Company, without the express written consent of the Company.

8. Miscellaneous.

- (a) This letter agreement is personal to the parties hereto, and accordingly, neither the letter agreement nor any right hereunder or interest herein may be assigned, transferred or charged by either party, without the express written consent of the other.
- (b) This letter agreement constitutes the complete, final and exclusive entire agreement between you and the Company with respect to the terms and conditions of your membership on the Board and it supersedes any other agreement or promises made to you by anyone whether oral or written. This letter agreement will be construed and interpreted in accordance with the laws of the State of Delaware.

We hope that you find the foregoing terms acceptable. You may indicate your agreement with these terms by signing and dating this letter agreement and returning it to the Company.

*(Remainder of page intentionally left blank)*

**EXODUS MOVEMENT, INC.**

By: /s/ Jon Paul Richardson

Name: Jon Paul Richardson

Title: Chief Executive Officer and Director

I have read and accept this letter agreement.

**MARGARET KNIGHT**

/s/ Margaret Knight

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#### **Schedule A**

Cash compensation: \$60,000 per year, payable in equal monthly installments on the first day of each calendar month. All payments will be made to the BTC address you provide to the company, which you may change at any time.

Equity compensation: It will be recommended that the Board approve a one-time award of restricted stock units covering 10,000 shares of Class A Common Stock of the Company, which will be scheduled to vest on a monthly basis in equal installments over a two-year period. Vesting will commence as of the date your service to the Company begins, subject to your continued status as a service provider through the applicable monthly vesting dates, and such other terms and conditions as set forth in the Company's 2021 Equity Incentive Plan.

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Exodus Movement, Inc.  
15418 Weir St., Suite 333  
Omaha, NE, 68137

January 26th, 2024

Carol MacKinlay  
187 Ocean View Boulevard,  
Pacific Grove, CA 93950.

Dear Carol,

This letter serves to confirm your agreement to serve as a member of the Board of Directors (the “**Board**”) of Exodus Movement, Inc. (the “**Company**”), on the following terms and conditions.

1. Position. You agree to serve as a member of the Board, subject to your appointment and any required stockholder approval in accordance with the Company’s amended and restated certificate of incorporation and amended and restated bylaws (the “**Governing Documents**”). Your appointment shall be for a period of two years beginning on February 1st, 2024, and ending on February 1st, 2026 unless earlier terminated due to your resignation or other removal pursuant to the Governing Documents. It is anticipated that you will be the Compensation Committee Chair.
2. Meetings. The Board’s meeting schedule is expected to include quarterly regular meetings, plus additional special meetings as called by the Board from time to time. Additionally, to the extent that you serve on any committees of the Board, those committees may have additional meetings. Board and committee meetings may be held in person or via telephone/video conference. We expect that your schedule would permit, absent unusual circumstances, you to attend all the meetings of the Board and any committees of which you are a member. Additionally, members of the Board may be periodically expected to attend training sessions to enhance their knowledge of relevant laws, corporate governance trends, and company policies.
3. Compensation. Your initial compensation for your service on the Board is as set forth on Schedule A; provided, however, that (i) your entitlement to any such compensation is subject to your continued service as a Board member, and any policies adopted by the same, (ii) nothing in this letter agreement or any agreement granting you any equity-based awards should be construed to interfere with or otherwise restrict in any way the rights of the Company, the Board or the Company’s stockholders from removing you or any other Director from, or failing to reelect you to, the Board or any committee in accordance with the provisions of applicable law and the Governing Documents, and (iii) the Company does not intend to afford you any rights as an employee, including without limitation, the right to employment or any other benefits.

Your compensation may be modified from time to time on the same basis as similarly situated Board members, which may include, without limitation, any compensation policy or program that the Board may adopt from time to time for non-employee members of the Board.

4. Business Expenses. Reasonable travel and other business expenses incurred by you in the performance of your duties to the Company for which you receive advance permission will be reimbursed by the Company in accordance with the Company's policies in effect from time to time.
5. Indemnification. You will be indemnified to the fullest extent provided by the Company's Governing Documents, subject to your execution of applicable undertakings, as provided by such Governing Documents. The Company will also provide you with director and officer liability insurance coverage to the extent provided to the directors of the Company generally.
6. Confidentiality. At all times during your service as a Director, you agree not to disclose any Company confidential information outside of the Company, and you further agree not to use any such information for any purpose outside of your role as a Director without express written consent from the Company. As a condition of your appointment to the Company's Board of Directors, you will be required to sign the Company's Standard Non-Disclosure Agreement for Directors.
7. Conflicts. The Company is a Delaware corporation and your rights and duties as a Board member are prescribed by Delaware law and the Governing Documents, as well as by the policies established by our Board from time to time and the rules and regulations of any exchange on which the Company's securities may become listed. In accepting this offer, you are representing to us that you do not know of any conflict that would restrict you from becoming a director of the Company and exercising your fiduciary duties as required under Delaware law. You also agree that, during the term of your directorship with the Company, you will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of your directorship, nor will you engage in any other activities that conflict with your obligations to the Company, without the express written consent of the Company.
8. Miscellaneous.
  - (a) This letter agreement is personal to the parties hereto, and accordingly, neither the letter agreement nor any right hereunder or interest herein may be assigned, transferred or charged by either party, without the express written consent of the other.
  - (b) This letter agreement constitutes the complete, final and exclusive entire agreement between you and the Company with respect to the terms and conditions of your membership on the Board and it supersedes any other agreement or promises made to you by anyone whether oral or written. This letter agreement will be construed and interpreted in accordance with the laws of the State of Delaware.

We hope that you find the foregoing terms acceptable. You may indicate your agreement with these terms by signing and dating this letter agreement and returning it to the Company.

*(Remainder of page intentionally left blank)*

**EXODUS MOVEMENT, INC.**

By: /s/ Jon Paul Richardson

Name: Jon Paul Richardson

Title: Chief Executive Officer and Director

I have read and accept this letter agreement.

**Carol MacKinlay**

Signature: /s/ Carol MacKinlay



#### Schedule A

Cash compensation: \$60,000 per year, payable in equal monthly installments on the first day of each calendar month. All payments will be made to the BTC address you provide to the Company, which you may change at any time.

Equity compensation: It will be recommended that the Board approve a one-time award of restricted stock units covering 10,000 units of Class A Common Stock of the Company, which will be scheduled to vest on a monthly basis in equal installments over a two-year period. Vesting will commence as of the date your service to the Company begins, subject to your continued status as a service provider through the applicable monthly vesting dates, and such other terms and conditions as set forth in the Company's 2021 Equity Incentive Plan.

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**Exodus Movement, Inc.**  
**Board of Directors Confidentiality Agreement**

This Board of Directors Confidentiality Agreement (“Agreement”) is made effective as of February 1st, 2024 (the “Effective Date”), by and between **EXODUS MOVEMENT, INC.**, a Delaware corporation, on behalf of itself, its subsidiaries, and other corporate affiliates (“Company”), and Carol MacKinlay, (“Director”). Company and Director, are individually a “Party,” and collectively, the “Parties.”

In consideration of Director’s compensation as a member of the Company’s Board of Directors, which Director acknowledges to be good and valuable consideration for Director’s obligations hereunder, Company and Director hereby agree as follows:

**1. Confidentiality.**

(a) **Confidential Information.** Director acknowledges that during the course of performance of Director’s duties as a member of the Company’s Board of Directors, Director will have access to and will learn about confidential, secret, and proprietary documents, materials, data, and other information, in tangible and intangible form, of and relating to the Company and its businesses and existing and prospective customers, suppliers, investors, and other associated third parties (“Confidential Information”). Director further understands and acknowledges that this Confidential Information and the Company’s ability to reserve it for the exclusive knowledge and use of the Company is of great competitive importance and commercial value to the Company, and that improper use or disclosure of the Confidential Information by Director would cause irreparable harm to the Company, for which remedies at law will not be adequate and may also cause the Company to incur financial costs, loss of business advantage, liability under confidentiality agreements with third parties, civil damages, and criminal penalties. For purposes of this Agreement, Confidential Information includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic, or any other form or medium, relating directly or indirectly to: business processes, practices, methods, policies, plans, publications, documents, research, operations, services, strategies, techniques, agreements, contracts, transactions, potential transactions, know-how, trade secrets, computer programs, computer software, applications, operating systems, software design, web design, work-in-process, databases, device configurations, embedded data, compilations, metadata, technologies, manuals, systems, supplier information, vendor information, financial information, accounting information, accounting records, legal information, pricing information, design information, personnel information, employee lists, supplier lists, vendor lists, developments, market studies, sales information, business plans, API partnerships, planned partnerships that have not yet been announced, revenue, costs, formulae, communications including emails, slack messages, customer service inquiries, and any other forms of communication, threats of private legal action, to the extent they exist, inquiries from government agencies, algorithms, product plans, designs, ideas, inventions, unpublished patent applications, original works of authorship, discoveries, experimental processes, experimental results, specifications, customer information, customer lists, client information, and client lists of the Company or its businesses, or of any other person or entity that has entrusted information to the Company in confidence.

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Director understands that the above list is not exhaustive and that Confidential Information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used. Confidential Information shall not include information that is generally available to and known by the public, provided that such disclosure to the public is through no direct or indirect fault of the Director or person(s) acting on Director's behalf.

**(b) Disclosure and Use Restrictions.** Director understands and acknowledges that as a member of the Company's Board of Directors, Director has a fiduciary duty to the Company and its shareholders. To that end, director agrees and covenants:

**(i)** to treat all Confidential Information as strictly confidential;

**(ii)** not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever not having a need to know and authority to know and to use the Confidential Information in connection with the business of the Company and, in any event, not to anyone outside of the direct employ of the Company except as required in the performance of any of Director's authorized duties to the Company and only after execution of a confidentiality agreement by the third party with whom Confidential Information will be shared (and then, such disclosure shall be made only within the limits and to the extent of such duties); and

**(iii)** not to access or use any Confidential Information, and not to copy any documents, records, files, media, or other resources containing any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Company. Director understands and acknowledges that Director's obligations under this Agreement regarding any particular Confidential Information begin immediately and shall continue during and after Director's service to the Company, until the Confidential Information has become public knowledge other than as a result of Director's breach of this Agreement or a breach by those acting in concert with Director or on Director's behalf.

(c) **Permitted Disclosures.** Nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. Director shall promptly provide written notice of any such order to an authorized officer of the Company.

(d) **Permitted Communications.** Nothing in this Agreement prohibits or restricts Director (or Director's attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), any other self-regulatory organization, or any other federal or state regulatory authority regarding a possible securities law violation.

(e) **Notice of Immunity; Defend Trade Secrets Act of 2016.** In accordance with the Defend Trade Secrets Act of 2016, Director understands that he/she may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law, or if the disclosure is made in the complaint or other document that is filed under seal in a lawsuit or other proceeding.

(f) **Other Rights.** This Agreement is intended to supplement, and not to supersede, any rights the Company may have in law or equity with respect to the protection of trade secrets or confidential or proprietary information.

## 2. **Proprietary Rights.**

(a) **Company Property; Company Information.** Director acknowledges and agrees that Director has no expectation of privacy with respect to the Company's telecommunications, networking, or information processing systems (including, without limitation, files, email messages, and slack messages) and that Director activity and any files or messages on or using any of those systems may be monitored at any time without notice.

(b) **Security and Access.** Director agrees and covenants to comply with all Company security policies and procedures as in force from time to time including without limitation those regarding computer equipment, telephone systems, monitoring, key cards, access codes, Company intranet, internet, computer systems, email systems, computer networks, document storage systems, software, data security, passwords and any and all other Company facilities, IT resources and communication technologies ("Information Technology Resources"). Director further agrees not to access or use any Information Technology Resources except as authorized by the Company and not to access or use any Information Technology Resources in any manner after the termination of the Director's service to the Company, whether voluntary or involuntary.

3. **Representations and Covenants.**

(a) **Facilitation of Agreement.** Director agrees to execute promptly, both during and after the end of his/her service to the Company, any proper oath, and to verify any proper document, required to carry out the terms of this Agreement, upon the Company's written request to do so.

(b) **No Conflicts.** Director represents his/her performance of all the terms of this Agreement does not and will not breach any agreement Director has entered, or will enter, with any third party, including without limitation any agreement to keep in confidence proprietary information or materials acquired by Director in confidence or in trust prior to or during the term of this Agreement. Director will not disclose to the Company or use any inventions, confidential or non-public proprietary information or material belonging to any previous client, the Company, or any other party. Director will not induce the Company to use any inventions, confidential or non-public proprietary information, or material belonging to any previous client, the Company, or any other party. Director agrees not to enter into any written or oral agreement that conflicts with the provisions of this Agreement.

4. **Acknowledgement.** Director acknowledges and agrees that the services to be rendered by him/her to the Company are of a special and unique character; that Director will obtain knowledge and skill relevant to the Company's industry, methods of doing business, and marketing strategies by virtue of Director's service to the Company; and that the terms and conditions of this Agreement are reasonable under these circumstances. Director further acknowledges that the amount of his/her compensation reflects, in part, his/her obligations and the Company's rights under this Agreement; that he/she has no expectation of any additional compensation, royalties, or other payment of any kind not otherwise referenced herein in connection herewith; and that he/she will not be subject to undue hardship by reason of his/her full compliance with the terms and conditions of this Agreement or the Company's enforcement thereof.

5. **General Provisions.**

(a) **Governing Law.** This Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflict of laws rules thereof to the extent that the application of the law of another jurisdiction would be required thereby.

(b) **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and Director relating to subject matter herein and merges all prior discussions between the Parties. No amendment to this Agreement will be effective unless in writing signed by both parties to this Agreement. The Company shall not be deemed hereby to have waived any rights or remedies it may have in law or equity, nor to have given any authorizations or waived any of its rights under this Agreement, unless, and only to the extent, it does so by a specific writing signed by a duly authorized officer of the Company, it being understood that, even in Director's capacity, Director will not have authority to give any such authorizations or waivers for the Company under this Agreement without specific approval by the full Board of Directors. Any subsequent change or changes in Director's duties, obligations, rights or compensation will not affect the validity or scope of this Agreement.

(c) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, and both of which together shall constitute one and the same instrument.

(d) **Severability.** Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the Parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement. The Parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, by adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the Parties as embodied herein to the maximum extent permitted by law. The Parties expressly agree that this Agreement as modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

(e) **Successors and Assigns.** This Agreement will be binding upon Director's heirs, executors, administrators and other legal representatives, and Director's successors and assigns, and will be for the benefit of the Company, its successors, and its assigns.

6. **Remedies.** The Company may seek injunctive and other equitable relief if Director breaches this Agreement, in particular but not limited to Section 1, Section 2, or Section 3, and it will not be a defense to any request for such relief that the Company has an adequate remedy at law. In any such proceeding for injunctive or other equitable relief, the Company will not be required to post bond or other security. The Company will also have such other legal remedies as may be appropriate under the circumstance including, *inter alia*, recovery of damages occasioned by a breach. The Company's rights and remedies are cumulative and the exercise or enforcement of any one or more of them will not preclude the Company from exercising or enforcing any other right or remedy.

7. **Advice of Counsel.** DIRECTOR ACKNOWLEDGES THAT, IN EXECUTING THIS AGREEMENT, DIRECTOR HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND DIRECTOR HAS READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first above written.

**COMPANY:**

EXODUS MOVEMENT, INC.

By: /s/ JP Richardson  
NAME: JP RICHARDSON  
TITLE: CEO

**DIRECTOR:**

(PRINT NAME) CAROL MACKINLAY

/s/ Carol Mackinlay  
(Signature)



Exodus Movement, Inc.  
15418 Weir St., Suite 333  
Omaha, NE, 68137

January 24th 2024

Tyler Skelton  
1768 Hollingsworth Blvd  
NW Atlanta, GA 30318  
tskelton2024@gmail.com

Dear Tyler,

This letter serves to confirm your agreement to serve as a member of the Board of Directors (the “**Board**”) of Exodus Movement, Inc. (the “**Company**”), on the following terms and conditions.

1. Position. You agree to serve as a member of the Board, subject to your appointment and any required stockholder approval in accordance with the Company’s amended and restated certificate of incorporation and amended and restated bylaws (the “**Governing Documents**”). Your appointment shall be for a period of one year beginning on February 1st, 2024, and ending on February 1st, 2025 unless earlier terminated due to your resignation or other removal pursuant to the Governing Documents. It is anticipated that you will serve on both the audit committee and compensation committee.
2. Meetings. The Board’s meeting schedule is expected to include quarterly regular meetings, plus additional special meetings as called by the Board from time to time. Additionally, to the extent that you serve on any committees of the Board, those committees may have additional meetings. Board and committee meetings may be held in person or via telephone/video conference. We expect that your schedule would permit, absent unusual circumstances, you to attend all the meetings of the Board and any committees of which you are a member. Additionally, members of the Board may be periodically expected to attend training sessions to enhance their knowledge of relevant laws, corporate governance trends, and company policies.
3. Compensation. Your initial compensation for your service on the Board is as set forth on Schedule A; provided, however, that (i) your entitlement to any such compensation is subject to your continued service as a Board member, and any policies adopted by the same, (ii) nothing in this letter agreement or any agreement granting you any equity-based awards should be construed to interfere with or otherwise restrict in any way the rights of the Company, the Board or the Company’s stockholders from removing you or any other Director from, or failing to reelect you to, the Board or any committee in accordance with the provisions of applicable law and the Governing Documents, and (iii) the Company does not intend to afford you any rights as an employee, including without limitation, the right to employment or any other benefits.

Your compensation may be modified from time to time on the same basis as similarly situated Board members, which may include, without limitation, any compensation policy or program that the Board may adopt from time to time for non-employee members of the Board.

4. Business Expenses. Reasonable travel and other business expenses incurred by you in the performance of your duties to the Company for which you receive advance permission will be reimbursed by the Company in accordance with the Company's policies in effect from time to time.
5. Indemnification. You will be indemnified to the fullest extent provided by the Company's Governing Documents, subject to your execution of applicable undertakings, as provided by such Governing Documents. The Company will also provide you with director and officer liability insurance coverage to the extent provided to the directors of the Company generally.
6. Confidentiality. At all times during your service as a Director, you agree not to disclose any Company confidential information outside of the Company, and you further agree not to use any such information for any purpose outside of your role as a Director without express written consent from the Company. As a condition of your appointment to the Company's Board of Directors, you will be required to sign the Company's Standard Non-Disclosure Agreement for Directors.
7. Conflicts. The Company is a Delaware corporation and your rights and duties as a Board member are prescribed by Delaware law and the Governing Documents, as well as by the policies established by our Board from time to time and the rules and regulations of any exchange on which the Company's securities may become listed. In accepting this offer, you are representing to us that you do not know of any conflict that would restrict you from becoming a director of the Company and exercising your fiduciary duties as required under Delaware law. You also agree that, during the term of your directorship with the Company, you will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of your directorship, nor will you engage in any other activities that conflict with your obligations to the Company, without the express written consent of the Company.
8. Miscellaneous.
  - (a) This letter agreement is personal to the parties hereto, and accordingly, neither the letter agreement nor any right hereunder or interest herein may be assigned, transferred or charged by either party, without the express written consent of the other.
  - (b) This letter agreement constitutes the complete, final and exclusive entire agreement between you and the Company with respect to the terms and conditions of your membership on the Board and it supersedes any other agreement or promises made to you by anyone whether oral or written. This letter agreement will be construed and interpreted in accordance with the laws of the State of Delaware.

We hope that you find the foregoing terms acceptable. You may indicate your agreement with these terms by signing and dating this letter agreement and returning it to the Company.

*(Remainder of page intentionally left blank)*

**EXODUS MOVEMENT, INC.**

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

I have read and accept this letter agreement.

**Tyler Skelton**

Signature: /s/ Tyler Skelton

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#### **Schedule A**

Cash compensation: \$50,000 per year, payable in equal monthly installments on the first day of each calendar month. All payments will be made to the BTC address you provide to the Company, which you may change at any time.

Equity compensation: It will be recommended that the Board approve a one-time award of restricted stock units covering 5,000 units of Class A Common Stock of the Company, which will be scheduled to vest on a monthly basis in equal installments over a one-year period. Vesting will commence as of the date your service to the Company begins, subject to your continued status as a service provider through the applicable monthly vesting dates, and such other terms and conditions as set forth in the Company's 2021 Equity Incentive Plan.

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**Exodus Movement, Inc.**  
**Board of Directors Confidentiality Agreement**

This Board of Directors Confidentiality Agreement (“Agreement”) is made effective as of February 1st, 2024 (the “Effective Date”), by and between **EXODUS MOVEMENT, INC.**, a Delaware corporation, on behalf of itself, its subsidiaries, and other corporate affiliates (“Company”), and Tyler Skelton, (“Director”). Company and Director, are individually a “Party,” and collectively, the “Parties.”

In consideration of Director’s compensation as a member of the Company’s Board of Directors, which Director acknowledges to be good and valuable consideration for Director’s obligations hereunder, Company and Director hereby agree as follows:

**1. Confidentiality.**

**(a) Confidential Information.** Director acknowledges that during the course of performance of Director’s duties as a member of the Company’s Board of Directors, Director will have access to and will learn about confidential, secret, and proprietary documents, materials, data, and other information, in tangible and intangible form, of and relating to the Company and its businesses and existing and prospective customers, suppliers, investors, and other associated third parties (“Confidential Information”). Director further understands and acknowledges that this Confidential Information and the Company’s ability to reserve it for the exclusive knowledge and use of the Company is of great competitive importance and commercial value to the Company, and that improper use or disclosure of the Confidential Information by Director would cause irreparable harm to the Company, for which remedies at law will not be adequate and may also cause the Company to incur financial costs, loss of business advantage, liability under confidentiality agreements with third parties, civil damages, and criminal penalties. For purposes of this Agreement, Confidential Information includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic, or any other form or medium, relating directly or indirectly to: business processes, practices, methods, policies, plans, publications, documents, research, operations, services, strategies, techniques, agreements, contracts, transactions, potential transactions, know-how, trade secrets, computer programs, computer software, applications, operating systems, software design, web design, work-in-process, databases, device configurations, embedded data, compilations, metadata, technologies, manuals, systems, supplier information, vendor information, financial information, accounting information, accounting records, legal information, pricing information, design information, personnel information, employee lists, supplier lists, vendor lists, developments, market studies, sales information, business plans, API partnerships, planned partnerships that have not yet been announced, revenue, costs, formulae, communications including emails, slack messages, customer service inquiries, and any other forms of communication, threats of private legal action, to the extent they exist, inquiries from government agencies, algorithms, product plans, designs, ideas, inventions, unpublished patent applications, original works of authorship, discoveries, experimental processes, experimental results, specifications, customer information, customer lists, client information, and client lists of the Company or its businesses, or of any other person or entity that has entrusted information to the Company in confidence.

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Director understands that the above list is not exhaustive and that Confidential Information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used. Confidential Information shall not include information that is generally available to and known by the public, provided that such disclosure to the public is through no direct or indirect fault of the Director or person(s) acting on Director's behalf.

**(b) Disclosure and Use Restrictions.** Director understands and acknowledges that as a member of the Company's Board of Directors, Director has a fiduciary duty to the Company and its shareholders. To that end, director agrees and covenants:

**(i)** to treat all Confidential Information as strictly confidential;

**(ii)** not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever not having a need to know and authority to know and to use the Confidential Information in connection with the business of the Company and, in any event, not to anyone outside of the direct employ of the Company except as required in the performance of any of Director's authorized duties to the Company and only after execution of a confidentiality agreement by the third party with whom Confidential Information will be shared (and then, such disclosure shall be made only within the limits and to the extent of such duties); and

**(iii)** not to access or use any Confidential Information, and not to copy any documents, records, files, media, or other resources containing any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Company. Director understands and acknowledges that Director's obligations under this Agreement regarding any particular Confidential Information begin immediately and shall continue during and after Director's service to the Company, until the Confidential Information has become public knowledge other than as a result of Director's breach of this Agreement or a breach by those acting in concert with Director or on Director's behalf.

(c) **Permitted Disclosures.** Nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. Director shall promptly provide written notice of any such order to an authorized officer of the Company.

(d) **Permitted Communications.** Nothing in this Agreement prohibits or restricts Director (or Director's attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), any other self-regulatory organization, or any other federal or state regulatory authority regarding a possible securities law violation.

(e) **Notice of Immunity; Defend Trade Secrets Act of 2016.** In accordance with the Defend Trade Secrets Act of 2016, Director understands that he/she may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law, or if the disclosure is made in the complaint or other document that is filed under seal in a lawsuit or other proceeding.

(f) **Other Rights.** This Agreement is intended to supplement, and not to supersede, any rights the Company may have in law or equity with respect to the protection of trade secrets or confidential or proprietary information.

2. **Proprietary Rights.**

(a) **Company Property; Company Information.** Director acknowledges and agrees that Director has no expectation of privacy with respect to the Company's telecommunications, networking, or information processing systems (including, without limitation, files, email messages, and slack messages) and that Director activity and any files or messages on or using any of those systems may be monitored at any time without notice.

(b) **Security and Access.** Director agrees and covenants to comply with all Company security policies and procedures as in force from time to time including without limitation those regarding computer equipment, telephone systems, monitoring, key cards, access codes, Company intranet, internet, computer systems, email systems, computer networks, document storage systems, software, data security, passwords and any and all other Company facilities, IT resources and communication technologies ("Information Technology Resources"). Director further agrees not to access or use any Information Technology Resources except as authorized by the Company and not to access or use any Information Technology Resources in any manner after the termination of the Director's service to the Company, whether voluntary or involuntary.

3. **Representations and Covenants.**

(a) **Facilitation of Agreement.** Director agrees to execute promptly, both during and after the end of his/her service to the Company, any proper oath, and to verify any proper document, required to carry out the terms of this Agreement, upon the Company's written request to do so.

(b) **No Conflicts.** Director represents his/her performance of all the terms of this Agreement does not and will not breach any agreement Director has entered, or will enter, with any third party, including without limitation any agreement to keep in confidence proprietary information or materials acquired by Director in confidence or in trust prior to or during the term of this Agreement. Director will not disclose to the Company or use any inventions, confidential or non-public proprietary information or material belonging to any previous client, the Company, or any other party. Director will not induce the Company to use any inventions, confidential or non-public proprietary information, or material belonging to any previous client, the Company, or any other party. Director agrees not to enter into any written or oral agreement that conflicts with the provisions of this Agreement.

4. **Acknowledgement.** Director acknowledges and agrees that the services to be rendered by him/her to the Company are of a special and unique character; that Director will obtain knowledge and skill relevant to the Company's industry, methods of doing business, and marketing strategies by virtue of Director's service to the Company; and that the terms and conditions of this Agreement are reasonable under these circumstances. Director further acknowledges that the amount of his/her compensation reflects, in part, his/her obligations and the Company's rights under this Agreement; that he/she has no expectation of any additional compensation, royalties, or other payment of any kind not otherwise referenced herein in connection herewith; and that he/she will not be subject to undue hardship by reason of his/her full compliance with the terms and conditions of this Agreement or the Company's enforcement thereof.

5. **General Provisions.**

(a) **Governing Law.** This Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflict of laws rules thereof to the extent that the application of the law of another jurisdiction would be required thereby.

(b) **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and Director relating to subject matter herein and merges all prior discussions between the Parties. No amendment to this Agreement will be effective unless in writing signed by both parties to this Agreement. The Company shall not be deemed hereby to have waived any rights or remedies it may have in law or equity, nor to have given any authorizations or waived any of its rights under this Agreement, unless, and only to the extent, it does so by a specific writing signed by a duly authorized officer of the Company, it being understood that, even in Director's capacity, Director will not have authority to give any such authorizations or waivers for the Company under this Agreement without specific approval by the full Board of Directors. Any subsequent change or changes in Director's duties, obligations, rights or compensation will not affect the validity or scope of this Agreement.

(c) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, and both of which together shall constitute one and the same instrument.

(d) **Severability.** Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the Parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement. The Parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, by adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the Parties as embodied herein to the maximum extent permitted by law. The Parties expressly agree that this Agreement as modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

(e) **Successors and Assigns.** This Agreement will be binding upon Director's heirs, executors, administrators and other legal representatives, and Director's successors and assigns, and will be for the benefit of the Company, its successors, and its assigns.

6. **Remedies.** The Company may seek injunctive and other equitable relief if Director breaches this Agreement, in particular but not limited to Section 1, Section 2, or Section 3, and it will not be a defense to any request for such relief that the Company has an adequate remedy at law. In any such proceeding for injunctive or other equitable relief, the Company will not be required to post bond or other security. The Company will also have such other legal remedies as may be appropriate under the circumstance including, *inter alia*, recovery of damages occasioned by a breach. The Company's rights and remedies are cumulative and the exercise or enforcement of any one or more of them will not preclude the Company from exercising or enforcing any other right or remedy.

7. **Advice of Counsel.** DIRECTOR ACKNOWLEDGES THAT, IN EXECUTING THIS AGREEMENT, DIRECTOR HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND DIRECTOR HAS READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

[SIGNATURE PAGE TO FOLLOW]

Page 6 of 7

Board of Directors Confidentiality and Proprietary Rights Agreement

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first above written.

**COMPANY:**

EXODUS MOVEMENT, INC.

By: /s/ JP Richardson  
NAME: JP RICHARDSON  
TITLE: CEO

**DIRECTOR:**

PRINT NAME: TYLER SKELTON

/s/ Tyler Skelton  
(Signature)

**SUBSIDIARIES OF EXODUS MOVEMENT, INC.**

As of December 31, 2023

Proper Trust AG

3ZERO, LLC

OSMIUM, LLC

**JURISDICTION OF  
INCORPORATION**

Switzerland

Delaware

Delaware