UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-42047

Exodus Movement, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**81-3548560**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
15418 Weir St. #333	
Omaha, NE[1]	**68137**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (833) 992-2566

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.000001 per share.	EXOD	NYSE American

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 31, 2025, the registrant had 9,602,733 shares of Class A common stock, par value $0.000001 per share, and 19,466,819 shares of Class B common stock, par value $0.000001 per share, outstanding.

[1] 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 the listed address.

Table of Contents

Cautionary Note on Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("the Exchange Act"). All forward-looking statements are based upon our current expectations and various assumptions and apply only as of the date of this Quarterly Report on Form 10-Q. 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 expressed or implied by our forward-looking statements, including those set forth in the sections titled "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report on Form 10-Q and "Item 1A. Risk Factors" of our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 6, 2025 (the "Form 10-K"). You should evaluate all forward-looking statements made in this Quarterly Report on Form 10-Q in the context of these risks and uncertainties.

We caution you that the risks, uncertainties and other factors referred to above and elsewhere in this Quarterly Report on Form 10-Q may not contain all of the risks, uncertainties and other factors that may affect our future results and operations. Moreover, new risks will emerge from time to time. It is not possible for us to predict all risks. In addition, we cannot assure you that we will realize the results, benefits or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected and you should not place undue reliance on our forward-looking statements.

All forward-looking statements in this Quarterly Report on Form 10-Q apply only as of the date made, unless an earlier date is specified, and are expressly qualified in their entirety by the cautionary statements included in this Quarterly Report on Form 10-Q. Except as required by law, we disclaim any intent to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Exodus Movement, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (Unaudited)
(In thousands, except share and par value)

	June 30, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 52,933	$ 37,883
U.S. dollar coin	158	12
Treasury bills	4,961	30,490
Accounts receivable	5,018	7,654
Prepaid expenses	2,810	2,326
Other current assets	6,732	4,430
Total current assets	72,612	82,795
OTHER ASSETS		
Fixed assets, net	440	357
Digital assets	233,190	196,359
Software assets, net	5,059	6,129
Other long-term asset	57	109
Indefinite-lived assets	2,146	2,146
Other investments	200	100
Deferred tax assets	2	-
Total other assets	241,094	205,200
TOTAL ASSETS	$ 313,706	$ 287,995
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 3,117	$ 1,162
Other current liabilities	8,034	7,183
Total current liabilities	11,151	8,345
LONG-TERM LIABILITIES		
Other long-term liabilities	365	344
Deferred tax liability	25,070	21,779
Total long-term liabilities	25,435	22,123
Total liabilities	36,586	30,468
STOCKHOLDERS' EQUITY		
Preferred stock		
$0.000001 par value, 5,000,000 shares authorized, no shares issued and outstanding	-	-
Class A Common Stock		
$0.000001 par value, 300,000,000 shares authorized,	-	-
9,494,058 issued and outstanding as of June 30, 2025	-	-
8,460,707 issued and outstanding as of December 31, 2024	-	-
Class B Common Stock		
$0.000001 par value, 27,500,000 shares authorized,	-	-
19,466,819 issued and outstanding as of June 30, 2025	-	-
19,749,388 issued and outstanding as of December 31, 2024	-	-
ADDITIONAL PAID IN CAPITAL	120,499	124,387
ACCUMULATED OTHER COMPREHENSIVE LOSS	(2,065)	(752)
RETAINED EARNINGS	158,686	133,892
Total stockholders' equity	277,120	257,527
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 313,706	$ 287,995

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

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

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
REVENUES	$ 25,827	$ 22,308	$ 61,823	$ 51,368
EXPENSES (INCOME)				
Technology, development and user support	14,730	10,767	29,623	21,471
General and administrative	18,817	9,054	33,135	17,109
(Gain) loss on digital assets, net	(52,500)	17,232	(23,691)	(39,567)
Gain on sale of future token interests	(2,000)	-	(2,000)	-
Impairment on assets	-	-	137	-
Staking and other (income) loss	(113)	(405)	23	(555)
Other loss (gain), net	15	(158)	462	86
Interest income	(586)	(695)	(1,589)	(1,642)
Income (loss) before income taxes	$ 47,464	$ (13,487)	$ 25,723	$ 54,466
INCOME TAX (EXPENSE) BENEFIT	(9,797)	3,881	(929)	(9,285)
NET INCOME (LOSS)	$ 37,667	$ (9,606)	$ 24,794	$ 45,181
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustment	(1,059)	(35)	(1,313)	668
COMPREHENSIVE INCOME (LOSS)	$ 36,608	$ (9,641)	$ 23,481	$ 45,849
Net income (loss) per share				
Basic net income (loss) per share of common stock - Class A	$ 1.28	$ (0.37)	$ 0.86	$ 1.72
Basic net income (loss) per share of common stock - Class B	$ 1.28	$ (0.37)	$ 0.86	$ 1.72
Diluted net income (loss) per share of common stock - Class A	$ 1.12	$ (0.37)	$ 0.78	$ 1.42
Diluted net income (loss) per share of common stock - Class B	$ 1.12	$ (0.37)	$ 0.78	$ 1.42
Weighted average number of shares and share equivalents outstanding				
Weighted average number of shares used in basic computation - Class A	9,819	4,486	9,147	4,774
Weighted average number of shares used in basic computation - Class B	19,641	21,520	19,546	21,570
Weighted average number of shares used in diluted computation - Class A	12,500	4,486	11,790	8,185
Weighted average number of shares used in diluted computation - Class B	21,021	21,520	20,172	23,727

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

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

	Class A Shares	Class B Shares	Additional Paid In Capital	Accumulated Other Comprehensive Loss	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
BALANCES as of January 1, 2024	4,320	21,760	$ 122,558	$ (1,477)	$ (17,320)	$ 103,761
Cumulative effect adjustment to the opening balance of retained earnings for ASU 2023-08 adoption, net of tax	-	-	-	-	38,254	38,254
Stock-based compensation	-	-	1,903	-	-	1,903
Issuance of Common Stock upon settlement of restricted stock units, net of shares withheld for taxes	234	-	(334)	-	-	(334)
Conversion from Class B to Class A	240	(240)	-	-	-	-
Foreign currency translation adjustment	-	-	-	703	-	703
Net income	-	-	-	-	54,787	54,787
BALANCES as of March 31, 2024	4,794	21,520	$ 124,127	$ (774)	$ 75,721	$ 199,074
Stock-based compensation	-	-	2,256	-	-	2,256
Issuance of Common Stock upon settlement of restricted stock units, net of shares withheld for taxes	250	-	(883)	-	-	(883)
Foreign currency translation adjustment	-	-	-	(35)	-	(35)
Net loss	-	-	-	-	(9,606)	(9,606)
BALANCES as of June 30, 2024	5,044	21,520	$ 125,500	$ (809)	$ 66,115	$ 190,806
BALANCES as of January 1, 2025	8,460	19,749	$ 124,387	$ (752)	$ 133,892	$ 257,527
Stock-based compensation	-	-	2,759	-	-	2,759
Exercised options, net of options withheld for taxes and exercise price	-	233	(1,764)	-	-	(1,764)
Issuance of Common Stock upon settlement of restricted stock units, net of shares withheld for taxes	241	-	(3,848)	-	-	(3,848)
Conversion from Class B to Class A	523	(523)	-	-	-	-
Foreign currency translation adjustment	-	-	-	(254)	-	(254)
Net loss	-	-	-	-	(12,873)	(12,873)
BALANCES as of March 31, 2025	9,224	19,459	$ 121,534	$ (1,006)	$ 121,019	$ 241,547
Stock-based compensation	-	-	3,175	-	-	3,175
Exercised options, net of options withheld for taxes and exercise price	-	8	(97)	-	-	(97)
Issuance of Common Stock upon settlement of restricted stock units, net of shares withheld for taxes	270	-	(4,113)	-	-	(4,113)
Foreign currency translation adjustment	-	-	-	(1,059)	-	(1,059)
Net income	-	-	-	-	37,667	37,667
BALANCES as of June 30, 2025	9,494	19,467	$ 120,499	$ (2,065)	$ 158,686	$ 277,120

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

Exodus Movement, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 24,794	$ 45,181
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	2,078	2,511
Deferred tax expense	3,289	7,382
Impairment of other assets	137	-
Gain on digital assets, net	(23,691)	(39,567)
Gain on sale of future token interests	(2,000)	-
Staking and other loss (gain)	23	(555)
Other loss, net	462	86
Stock based compensation	5,755	3,741
Accrued interest income	(682)	(1,133)
Other operating activities settled in digital assets and USDC [1]	(22,934)	(18,402)
Change in operating assets and liabilities:		
Accounts receivable	231	(4)
Prepaid expenses	333	(618)
Other current assets	(2,411)	(340)
Other long-term asset	52	(40)
Accounts payable	1,980	1,144
Other current liabilities	1,130	(1,325)
Other long-term liabilities	21	23
Net cash used in operating activities	(11,433)	(1,916)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in SAFE Note	(100)	-
Proceeds from sale of future token interests	2,000	-
Purchases of fixed assets	(143)	(188)
Purchase of treasury bills	(4,938)	(44,386)
Redemption of treasury bills	30,700	46,164
Purchases of digital assets	(1,580)	(2,534)
Disposal of digital assets held	10,392	20,631
Purchase of domain names	-	(151)
Net cash provided by investing activities	36,331	19,536
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of shares to pay employee withholding taxes	(9,848)	(1,227)
Net cash used in financing activities	(9,848)	(1,227)
Change in cash and cash equivalents, and restricted cash and cash equivalents	15,050	16,393
Cash and cash equivalents, and restricted cash and cash equivalents		
Beginning of period	37,883	11,376
End of period	52,933	27,769
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Non-cash issuance of stock	$ 26	$ 10
Fixed assets purchased with digital assets	(36)	-
Non-cash capitalized software costs settled in digital assets (including stock-based compensation of $179 and $418 respectively)	(1,060)	(2,364)
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for income taxes	(1)	(3,252)

[1] See Note 5, “Intangible Assets”.

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

Exodus Movement, Inc. and Subsidiaries

Notes to Unaudited Condensed Consolidated Financial Statements

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.

2. Summary of Significant Accounting Policies

The accompanying condensed consolidated financial statements of the Company are unaudited. These unaudited condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP") on the same basis as the audited consolidated financial statements and in management's opinion, reflect all the adjustments, consisting only of normal, recurring adjustments, that are necessary for the fair statement of the Company's condensed consolidated financial statements for the periods presented. The unaudited condensed consolidated results of operations for the three and six months ended June 30, 2025, are not necessarily indicative of the results to be expected for the full year or any other period.

These condensed consolidated financial statements and accompanying notes should be read in conjunction with the audited consolidated financial statements and notes included in the Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 6, 2025 (the "Form 10-K").

There were no changes to the significant accounting policies that were disclosed in Note 2 Summary of Significant Accounting Policies to the audited consolidated financial statements included in the Form 10-K.

Concentration of Revenue

Revenue from Application Programming Interface Providers ("API Providers") exceeding 10% of total revenues for the three and six months ended June 30, 2025 and 2024 were as follows (in thousands):

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Company A	$ 2,686	$ 3,832	$ 7,068	$ 10,532
Company B	4,467	4,629	8,947	10,286
Company C	4,803	4,360	10,305	9,094
Company D	2,960	2,713	7,244	6,828
Company E [1]	4,413	-	10,373	-

[1] Company E did not have over 10% of revenue during the three and six months ended June 30, 2024.

Digital Assets

As of June 30, 2025, the Company held $233.2 million of digital assets at fair value. The Company presents digital assets separately from other intangible assets, recorded as digital assets on the condensed consolidated balance sheets. The net activity from remeasurement of digital assets at fair value is reflected in the condensed consolidated statements of operations and comprehensive income (loss) within expenses (income). Digital assets that are received as noncash consideration in our revenue arrangements and sold for cash within seven days are presented as cash flows from operating activities in other operating activities settled in digital assets and U.S. Dollar Coin ("USDC"), while other digital asset activity held longer than seven days is reflected as cash flows from investing activities under disposal of digital assets held in the consolidated statements of cash flows. The Company uses a mix of non-custodial and custodial services at multiple locations that are geographically dispersed to store its digital assets. The Company has performed an analysis of the principal market. Refer to Note 5, Intangible Assets, and Note 11, Fair Value Measurements, for additional information. The Company has ownership of and control over its digital assets. The cost basis is calculated on a first-in first-out basis.

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.

Recently Issued Accounting Pronouncements Pending Adoption

Expense Disaggregation Disclosures

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU 2024-03, "Expense Disaggregation Disclosures" (herein, the "Update"). The Update aims to enhance disclosures regarding a public business entity's expenses, specifically addressing investor requests for more detailed information on the types of expenses included in commonly presented expense captions such as cost of sales, selling, general and administrative expenses ("SG&A"), and research and development ("R&D"). The amendments in this Update require additional transparency on the breakdown of expenses, including purchases of inventory, employee compensation, depreciation, amortization, and depletion. The amendments in this Update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either prospectively to financial statements issued for reporting periods after the effective date, or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact of the Update on its financial reporting and will adopt the standard in accordance with the required effective date. In January 2025, the FASB issued ASU 2025-01 which clarifies the disclosure requirements for public business entities adopting the Update. ASU 2025-01 specifies that all public business entities should initially adopt the disclosure requirements presented in ASU 2024-03 in the first annual reporting period beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of adopting the standard on the consolidated 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. The Company is currently evaluating the impact of adopting the standard on the consolidated financial statements.

3. Revenue Recognition

The following table presents the Company’s revenues disaggregated by geography, based on the addresses of the Company’s customers (in thousands, except percentages):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Republic of the Marshall Islands	$ 7,763	30.1 %	$ 7,072	31.7 %	$ 17,550	28.4 %	$ 15,921	31.0 %
Hong Kong	5,671	22.0	4,894	21.9	13,327	21.6	10,903	21.2
British Virgin Islands[1]	4,655	18.0	-	-	12,069	19.5	-	-
Seychelles	2,686	10.4	3,832	17.2	7,068	11.4	10,532	20.5
Other[2]	5,052	19.5	6,510	29.2	11,809	19.1	14,012	27.3
Revenues	$ 25,827	100.0 %	$ 22,308	100.0 %	$ 61,823	100.0 %	$ 51,368	100.0 %

(1) Country did not exceed 10% in 2024 and was included in Other.
(2) No other individual country accounted for more than 10% of total revenue.

The following table summarizes the revenue by users of the platform and the business-to-business partnerships for the three and six months ended June 30, 2025 and 2024 (in thousands, except percentages):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Exchange aggregation	$ 23,417	90.7 %	$ 19,942	89.4 %	$ 57,224	92.6 %	$ 46,692	90.9 %
Fiat onboarding	988	3.8	952	4.3	2,128	3.4	1,963	3.8
Staking	1,110	4.3	522	2.3	1,698	2.7	1,167	2.3
Consulting	278	1.1	496	2.2	615	1.0	546	1.1
Other [1]	34	0.1	396	1.8	158	0.3	1,000	1.9
Revenues	$ 25,827	100.0 %	$ 22,308	100.0 %	$ 61,823	100.0 %	$ 51,368	100.0 %

(1) Other includes less than $0.1 million and $0.1 million related to non-fungible token revenue for the three and six months ended June 30, 2025, respectively, and $0.4 million and $0.9 million related to non-fungible token revenue for the three and six months ended June 30, 2024, respectively.

The following table presents the Company's contract balances as of June 30, 2025 and December 31, 2024 (in thousands):

Balance January 1, 2024	$ 727
Increase in contract liability	100
Performance obligation satisfied	(815)
Balance December 31, 2024	12
Increase in contract liability	71
Performance obligation satisfied	(83)
Balance June 30, 2025	$ -

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):

	June 30, 2025	December 31, 2024
Accounting, consulting, and legal services	$ 957	$ 540
Prepaid software	731	762
Prepaid insurance	547	53
Prepaid cloud services	537	669
Marketing	38	220
Partner fees	—	82
Prepaid expenses	$ 2,810	$ 2,326

5. Intangible Assets

Indefinite-Lived Asset

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

	June 30, 2025	December 31, 2024
Indefinite-lived assets	$ 2,146	$ 2,146
Indefinite-lived assets	$ 2,146	$ 2,146

The Company purchased the exodus.com domain name in the first quarter of 2021 for $1.9 million. In the second quarter of 2024, the Company purchased a domain name for $0.2 million. The Company considers these assets to be indefinite-lived, resulting in no recognition of amortization.

Digital Assets

The table below outlines the fair value of our digital assets based on publicly available rates as of the dates presented as well as the cost (in thousands, except units):

	Units	Cost Basis	Fair Value
As of June 30, 2025			
Bitcoin	2,058	$ 87,826	$ 220,510
Ethereum	2,729	5,162	6,790
Other	4,785,240	9,081	5,890
Digital assets		$ 102,069	$ 233,190
As of December 31,2024			
Bitcoin	1,941	69,707	181,238
Ethereum	2,655	4,967	8,847
Other	10,036,242	7,882	6,274
Digital assets		$ 82,556	$ 196,359

The following table summarizes other operating activities settled in digital assets and USDC (in thousands):

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenues	$ (63,130)	$ (51,538)
Expenses	17,835	11,308
Conversion of digital assets and USDC to cash, net	21,438	19,130
Accounts receivable and other current assets	2,515	239
Payroll liabilities	(279)	1,791
Currency translation related to digital assets	(1,313)	668
Other operating activities settled in digital assets and USDC	$ (22,934)	$ (18,402)

Gain on Sale of Future Token Interests

In June 2025, the Company sold its right to receive 6,666,667 of its 13,333,334 Magic Eden tokens from Eden Protocol Limited. A gain on sale of future token interests of $2.0 million was recognized as a result of the sale and is presented in the condensed consolidated statements of operations and comprehensive income (loss). The right to receive future Magic Eden token interests represents an embedded derivative that had a fair value of zero as of June 30, 2025 and December 31, 2024.

6. Fixed Assets, Net

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

	June 30, 2025	December 31, 2024
Computer equipment	$ 1,001	$ 940
Vehicles	212	237
Furniture and fixtures	21	21
Fixed assets, gross	1,234	1,198
Less: accumulated depreciation	(794)	(841)
Fixed assets, net	$ 440	$ 357

Depreciation expense was less than $0.1 million and $0.1 million for the three and six months ended June 30, 2025, respectively, and less than $0.1 million and $0.1 million for the three and six months ended June 30, 2024, respectively.

7. Software Assets, Net

Costs incurred are used to develop internal software applications and consist of mainly compensation and benefits. We capitalize software development costs upon the establishment of technological feasibility. During the three and six months ended June 30, 2025, we capitalized approximately $0.6 million and $1.1 million, respectively, of software development costs. When the software is ready for use, these capitalized costs are amortized on a straight-line basis the estimated useful life, estimated to be three years.

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

	June 30, 2025	December 31, 2024
Software in development	$ 866	$ 1,400
Software assets in use	12,386	11,240
Less: accumulated amortization	(8,193)	(6,511)
Software assets in use, net	4,193	4,729
Software assets, net	$ 5,059	$ 6,129

The following summarizes the future amortization expense as of June 30, 2025 (in thousands):

Six months ending December 31, 2025	$	1,376
2026		1,855
2027		905
2028		57
	$	4,193

Amortization expense was $1.0 million and $2.0 million for the three and six months ended June 30, 2025, respectively, and $1.2 million and $2.4 million for the three and six months ended June 30, 2024, respectively.

8. 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 December 2024, our Class A Common Stock was listed for quotation on the NYSE American under the symbol "EXOD".

In April 2024, our Class A Common Stock was listed for quotation on the OTCQX under the symbol "EXOD". OTC Markets approval was received in April 2024.

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 Markets, LLC (**"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".

There is currently no public market for our Common Stock Tokens and we do not believe one will develop in the foreseeable future. Common Stock Tokens cannot be traded on the OTC market or any national securities exchange.

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 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 team member 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) that are convertible into shares of authorized but unissued Class B common stock. As of June 30, 2025, there were 579,530 shares of Class B common stock options outstanding.

In August 2021, the Company also adopted the 2021 Equity Incentive Plan (the "2021 Plan"). The 2021 Plan permits the Company to grant non-statutory stock options, incentive 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 team member 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 terms of the 2021 Plan, the Company may increase our share pool by 5% of our outstanding shares of capital stock each year. In 2023 and 2022, the total shares of our Class A common stock reserved for issuance increased by 1,875,000 shares for both periods and 132,936 shares in 2024 for a total of 6,662,936 shares of Class A common stock reserved under the 2021 Plan. As of June 30, 2025, there were 2,674,883 restricted stock units that are authorized and outstanding with a fair value of $77.1 million and 6,632 restricted stock units were vested but not yet issued.

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

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

The following table summarizes stock option activities for the six months ended June 30, 2025 and 2024:

	Options	Weighted Average Exercise Price Price
Outstanding as of January 1, 2024	2,156,632	$ 2.40
Forfeited	(302)	2.39
Outstanding as of June 30, 2024	2,156,330	$ 2.40
Outstanding as of January 1, 2025	866,135	2.41
Exercised	(286,605)	(2.40)
Outstanding as of June 30, 2025	579,530	$ 2.41
Vested and exercisable as of June 30, 2025	579,530	$ 2.41

The following table summarizes RSU activities for the six months ended June 30, 2025 and 2024:

	Restricted Stock Units	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2024	2,797,071	$ 3.92
Granted	1,655,773	4.89
Settled	(648,938)	4.64
Forfeited	(68,511)	3.90
Outstanding as of June 30, 2024	3,735,395	$ 4.23
Outstanding as of January 1, 2025	2,904,901	4.14
Granted	613,844	31.11
Settled	(713,703)	7.22
Vested	(24,194)	51.12
Forfeited	(99,858)	4.52
Outstanding as of June 30, 2025	2,680,990	$ 9.06

We recognized stock-based compensation related to options and restricted stock units of $3.2 million and $6.0 million for the three and six months ended June 30, 2025, respectively, and $2.3 million and $4.2 million for the three and six months ended June 30, 2024, respectively.

Stock-based compensation is recorded on the Company's condensed consolidated statements of operations and comprehensive income (loss) as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Technology, development, and user support	$ 1,608	$ 924	$ 2,333	$ 1,729
General and administrative	1,567	1,332	3,601	2,430
Stock-based compensation	$ 3,175	$ 2,256	$ 5,934	$ 4,159

As of June 30, 2025, total unrecognized stock-based compensation expense was $11.2 million.

9. Income Taxes

At the end of each interim period, the Company records income taxes by applying an estimated annualized effective tax rate to the current period income or loss before income taxes. The Company's annualized effective tax rate is based on pre-tax earnings, enacted U.S. statutory tax rates, non-deductible expenses, tax credits, certain tax rate differences between U.S. and foreign jurisdictions, and specific events that are discretely recognized entirely within the interim period in which they occur. Exodus' foreign subsidiary Proper Trust AG files an income tax return in Switzerland.

For the six months ended June 30, 2025 and 2024, the Company recorded an income tax expense of $0.9 million on pre-tax income of approximately $25.7 million and an income tax expense of $9.3 million on a pre-tax income of approximately $54.5 million, resulting in effective tax rates of 3.6% and 17.3%, respectively.

Our effective tax rate for the six months ended June 30, 2025 was primarily impacted by the change in permanent differences, including non-deductible expenses and discrete items, including stock-based compensation and tax effect of realized and unrealized digital asset gains and losses during the period. For purposes of recording the discrete tax expense related to digital assets, for the six months ending June 30, 2025 realized gains or losses are recorded to the Company's current taxes payable and unrealized gains and losses are recorded to the deferred tax liability based on current period activity. The effective tax rate for the six months ended June 30, 2024 was primarily impacted by the change in permanent differences and discrete items, including the tax benefit from the foreign derived intangible income and the effect of digital asset gains and losses, specifically recognized in the period.

On July 4, 2025, the "One Big Beautiful Bill Act" (P.L. 119-21) was enacted into law. The legislation reinstates and extends several provisions of the 2017 Tax Cuts and Jobs Act, including permanent 100% bonus depreciation, enhanced Section 179 expensing, full R&D expense deduction for domestic expenditures and modification to the international tax framework. We are currently assessing its impact on our consolidated financial statements.

10. 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.

OFAC Matter

As previously disclosed, in December 2018, we received an administrative subpoena issued by the U.S. Department of the Treasury's Office of Foreign Assets Control ("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. The administrative subpoena responses and voluntary self-disclosure have been under review by OFAC.

Subsequent to the June 30, 2025 balance sheet date, but prior to the issuance of this report, we reached a proposed settlement agreement with OFAC to fully resolve the matter. Under the terms of the proposed agreement, we agreed to pay a civil monetary penalty of $2,473,360, and to invest an additional $630,000 in sanctions compliance controls. The settlement has not yet been paid as of the date of this filing. Accordingly, the Company has recognized a liability of $2,473,360 in the accompanying financial statements for the quarter ended June 30, 2025. The settlement does not constitute an admission of liability by the Company and reflects the Company's full cooperation and remedial actions taken throughout the investigation. We expect a final settlement with respect to this matter to be entered into with OFAC in the third quarter of this year.

11. Fair Value Measurements

The Company's financial assets are summarized below as of June 30, 2025 and December 31, 2024, with fair values shown according to the fair value hierarchy (in thousands):

	Carrying Value	Quoted Prices Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
June 30, 2025				
BTC	$ 220,510	$ 220,510	$ -	$ -
Treasury bills	4,961	4,961	-	-
Money market funds	50,188	50,188	-	-
ETH	6,790	6,790	-	-
Other digital assets	5,890	5,890	-	-
Other investments	200	(A)	-	-
	$ 288,539			
December 31, 2024				
BTC	$ 181,238	$ 181,238	$ -	$ -
Treasury bills	31,162	31,162	-	-
Money market funds	25,514	25,514		
ETH	8,847	8,847		
Other digital assets	6,274	6,274	-	-
Other investment	100	(A)	-	-
	$ 253,135			

(A) These investments are recorded at cost.

The Company invests in held to maturity treasury bills. As of June 30, 2025, the discount rate was 1.1%. Discount rates ranged from 1.1% to 2.4% as of December 31, 2024. The Company held treasury bills with a maturity of greater than three months in other current assets in the amount of $5.0 million and $30.5 million as of June 30, 2025 and December 31, 2024, respectively. The Company held no treasury bills with a maturity of less than three months in cash and cash equivalents as of June 30, 2025 and $0.7 million as of December 31, 2024.

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.

12. Earnings Per Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Basic net income (loss) per share:				
Numerator				
Net income (loss), basic and diluted	$ 37,667	$ (9,606)	$ 24,794	$ 45,181
Denominator				
Weighted-average number of shares used in per share computation - Class A	9,819	4,486	9,147	4,774
Weighted-average number of shares used in per share computation - Class B	19,641	21,520	19,546	21,570
Basic net income (loss) per share - Class A	$ 1.28	$ (0.37)	$ 0.86	$ 1.72
Basic net income (loss) per share - Class B	$ 1.28	$ (0.37)	$ 0.86	$ 1.72
Diluted net income (loss) per share:				
Denominator				
Weighted-average number of shares used in diluted computation - Class A	12,500	4,486	11,790	8,185
Weighted-average number of shares used in diluted computation - Class B	21,021	21,520	20,172	23,727
Diluted net income (loss) per share - Class A	$ 1.12	$ (0.37)	$ 0.78	$ 1.42
Diluted net income (loss) per share - Class B	$ 1.12	$ (0.37)	$ 0.78	$ 1.42

13. Segment Reporting

The Company has one reportable segment: revenues. Factors that management used to identify the Company’s reportable segment include the Company’s integrated business model, shared customer base, centralized corporate functions, and uniform service offerings in determining that the business operates as a single segment. A description of the types of products and services from which the reportable segment derives its revenues as well as the accounting policies applicable to the reportable segment can be found in Footnote 2 – Summary of Significant Accounting Policies of the Form 10-K. Entity-wide information can be found in Footnote 3 – Revenue Recognition. The chief operating decision maker assesses the performance using consolidated net income for the reportable segment and decides how to allocate resources based on revenues, technology, development, and user support, general and administrative expenses, and net income which are reported under identical captions in the consolidated statements of operations and comprehensive income. No additional measures of segment assets, profit, or loss are used in internal management reporting. The Company does not have intra-entity sales or material intra-entity transfers for consideration in the segment analysis. Information about reported segment revenue and profit as well as significant segment expenses can be found in the consolidated statements of operations and comprehensive income (loss). The Company’s chief operating decision maker is the chief executive officer.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of Exodus' financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q. The following discussion contains forward-looking statements based upon current plans, expectations and beliefs that involve risks and uncertainties. Actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Item 1A. Risk Factors" in the Form 10-K and "Cautionary Note on Forward Looking Statements" and in other parts of this Quarterly Report on Form 10-Q.

Overview of Our Business

We are engaged principally in the business of creating and distributing self-custodial wallets for digital assets. Because a majority of our revenue is derived from services provided by application programming interface ("API") providers ("API Providers") to persons located outside the United States pursuant to a transaction-based structure, 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. These API agreements typically consist of transaction-based contracts and tiered subscription contracts where fees are generated based on transaction volume which is primarily driven by users interacting with the API providers.

Our expenses primarily consist of:

- Technology, development, user support;
- Amortization expense relating to software development; and
- General and administrative expenses (primarily including administrative, legal, financial operations, information technology services, marketing and advertising expenses).

Based on the services offered and transactions conducted by API Providers, the following table shows the digital assets that are most material to our business by revenue.

Digital Asset	API Provider Service(s)	Blockchain(s)
BTC		
Store of value and payment cryptocurrency	Exchange Aggregation; Fiat Onboarding	Bitcoin
Tether		
Stablecoin	Exchange Aggregation; Fiat Onboarding	Ethereum, Algorand, Avalanche, Binance Smart Chain, Arbitrum, Polygon, Optimism, Solana, Tron, Fantom, Polygon, Solana
Ether		
Blockchain economy or blockchain platform	Exchange Aggregation; Fiat Onboarding; Staking	Ethereum
U.S. Dollar Coin ("USDC")		
Stablecoin	Exchange Aggregation; Fiat Onboarding	Ethereum, Algorand, Avalanche, Binance Smart Chain, Arbitrum, Fantom, Polygon, Optimism, Solana, Tron
Other		
All other digital assets	Exchange Aggregation; Fiat Onboarding; Staking	Multiple Blockchains

Known Trends and Uncertainties

Stablecoins - We expect stablecoin adoption will increase globally as cryptocurrencies become more widely used in the future. User adoption of cryptocurrency networks for payments, or lack thereof, as well as worldwide government regulation, both friendly and adversarial, have and will continue to influence global stablecoin usage. Stablecoins will not function without a digital asset wallet. The company's wallet supports a wide variety of stablecoins, including the largest coins such as Tether's USDT and Circle's USDC. Additionally, by supporting over 40 different networks, including large networks like Ethereum, Solana, and Tron, we believe Exodus is positioned to natively support stablecoins wherever current and future use cases emerge. Furthermore, Exodus' XO Swap product already provides the company's partners a solution for swapping between stablecoins and between blockchains.

Cloud based infrastructure expense – Cloud infrastructure expenses decreased $0.3 million and $0.4 million for the three and six months ended June 30, 2025, respectively, compared to three and six months ended June 30, 2024 primarily due to cost optimization efforts, including monthly reviews by the Development Operations team to reduce waste, improve instance efficiency, and minimize inter-zone transfer costs. We anticipate increased cloud infrastructure expenses as the platform continues to grow due to increased database capacity and new users.

Investment in human capital – Costs related to investment in human capital (including recruiting costs, salary, incentive and compensation costs) increased $1.3 million and $2.6 million for the three and six months ended June 30, 2025 compared to three and six months ended June 30, 2024, primarily due to an increase in salaries, payroll taxes and stock based compensation. As the Exodus platform continues to expand, we anticipate the need to add more team members to accommodate the growth in our business, which is expected to materially increase expenses as a result of the impact on the human capital costs described above. Human capital costs are also expected to increase due to the need to add additional team members to address compliance with the evolving regulatory environment, including as a publicly traded company.

Marketing expenses – Marketing-related costs increased $3.4 million and $4.5 million for the three and six months ended June 30, 2025 compared to three and six months ended June 30, 2024, respectively. The increase was primarily due to increased spending on website advertisements targeted at the digital asset focused spaces and on online platforms, such as the App Store, and marketing agency expenses. To date, we have primarily focused our marketing strategy toward user growth. We continue to evaluate our marketing strategy and in the future may decide to refocus the current organic growth-based strategy in growing our user base to a more competitive approach, which would be expected to further increase marketing-related expenses.

Changes in tax laws –We operate in various jurisdictions and are subject to changes in applicable tax laws, treaties or regulations in those jurisdictions. A material change in the tax laws, treaties or regulations, or their interpretation, of any jurisdiction with which we do business, or in which we have significant operations, could adversely affect us. For example, the new Pillar 2 approach, which came into effect in 2023 in certain jurisdictions, will establish a global minimum tax rate of 15%, such that multinational enterprises with an effective tax rate in a jurisdiction below this minimum rate will need to pay additional tax. While many aspects of the application of Pillar 2 remain to be clarified, including how the jurisdictions in which we operate, and those in which we and our subsidiaries are based, choose to implement the Organization for Economic Cooperation and Development's approach in their tax treaties and domestic tax laws, we do not expect Pillar 2 to apply in 2025. On July 4, 2025, the "One Big Beautiful Bill Act" (P.L. 119-21) was enacted into law. The legislation reinstates and extends several provisions of the 2017 Tax Cuts and Jobs Act, including permanent 100% bonus depreciation, enhanced Section 179 expensing, full R&D expense deduction for domestic expenditures and modification to the international tax framework. We are currently assessing its impact on our consolidated financial statements.

Growth Initiative and Transaction-Related Expenses

During the three and six months ended June 30, 2025, the Company incurred approximately $1.2 million and $3.0 million in expenses associated with the evaluation, negotiation, and travel due to prospective business acquisitions. The Company expects these expenses to continue throughout 2025 as it continues to evaluate potential acquisition targets. These expenses primarily include legal and advisory costs and are recorded within general and administrative expenses in the accompanying condensed consolidated statements of operations. There were no growth initiative expenses in the three and six months ended June 30, 2024.

In addition, the Company incurred approximately $2.2 million and $6.5 million in revenue sharing expenses related to its business-to-business partnerships for the three and six months ended June 30, 2025, respectively and approximately $0.4 million and $0.8 million in revenue sharing expenses related to its business-to-business partnerships for the three and six months ended June 30, 2024. While the Company does not control the operations or growth of its partners, their success can directly impact our own performance. As these partners grow or as new partnerships are formed, our associated revenue sharing expenses are expected to increase. These expenses represent costs of revenue and are included within technology, development, and user support expenses in the consolidated statements of operations.

Monthly Active Users

Monthly Active Users ("MAUs") were 1.5 million at each of June 30, 2025 and 2024. Our strategic focus remains on expanding our active user base, improving app features, and expanding our business-to-business partnerships. We believe that over the long term, interest in digital assets and digital asset markets will continue to increase. However, during any given period, we cannot be certain that our MAU growth efforts will be effective or that interest in digital assets will remain or continue to increase.

MAUs are defined as any user with activity history in any month. A user has "activity history" if, in the last calendar month, the user performed any activity within the application such as opening their application to check digital asset prices, reading news, or accessing the services of our API Providers. MAUs provide a measurement of user engagement, allowing management to compare engagement over time. MAUs consist of both funded wallets and unfunded wallets. Because Exodus users do not have accounts, users do not close an account. Therefore, users may be inactive one month and active the next as they re-engage with the platform. Management views increasing interest in the Exodus Platform over time as a key indicator of increasing revenue, especially for MAUs outside of the United States as the likelihood of revenue generating transactions increases as user interest increases.

Quarterly Funded Users

In addition to MAUs, we utilize Quarterly Funded Users (QFUs) to assess user trends and market sentiment. QFUs are defined as unique users with an Exodus wallet that was funded at any point prior to or during the fiscal quarter and during which the user remained active, i.e. opening the app during the period. A wallet is considered “funded” if it holds a non-zero balance of any supported digital asset, QFUs offer a longer-term view of engagement by capturing users who have already funded their wallets.

QFUs totaled 1.7 million and 1.5 million as of June 30, 2025 and 2024, respectively, reflecting an increase of 0.2 million, or approximately 13%. This growth reflects user engagement in addition to active user count. We expect MAUs to fluctuate more significantly in response to app usage patterns and broader market conditions. In contrast, QFUs provide a longer-term view of engagement, representing a more stable cohort—users with funded wallets actively participating in the Exodus platform.

We consider both MAUs and QFUs to be Key Performance Indicators (KPIs) that provide insight into user activity and platform engagement. While MAUs may fluctuate more significantly due to changes in app usage patterns and broader market conditions, QFUs offer a longer-term view of engagement by capturing users with actively funded wallets who are transacting on the platform. Management uses these metrics to monitor platform health, inform product and marketing strategies, and assess user trends over time.

Results of Operations

Results of operations for the three and six months ended June 30, 2025 and 2024 (in thousands):

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	$ Change	% Change	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	$ Change	% Change
REVENUES	$ 25,827	$ 22,308	$ 3,519	16	$ 61,823	$ 51,368	$ 10,455	20
EXPENSES (INCOME)								
Technology, development and user support	14,730	10,767	3,963	37	29,623	21,471	8,152	38
General and administrative	18,817	9,054	9,763	108	33,135	17,109	16,026	94
(Gain) loss on digital assets, net	(52,500)	17,232	(69,732)	(405)	(23,691)	(39,567)	15,876	(40)
Gain on sale of future token interests	(2,000)	-	(2,000)	n/m	(2,000)	-	(2,000)	n/m
Impairment on assets	-	-	-	n/m	137	-	137	n/m
Staking and other (income) loss	(113)	(405)	292	(72)	23	(555)	578	(104)
Other loss (gain), net	15	(158)	173	(109)	462	86	376	437
Interest income	(586)	(695)	109	(16)	(1,589)	(1,642)	53	(3)
Income (loss) before income taxes	47,464	(13,487)	60,951	(452)	25,723	54,466	(28,743)	(53)
INCOME TAX (EXPENSE) BENEFIT	(9,797)	3,881	(13,678)	(352)	(929)	(9,285)	8,356	(90)
NET INCOME (LOSS)	37,667	(9,606)	47,273	(492)	24,794	45,181	(20,387)	(45)
Foreign currency translation adjustment	(1,059)	(35)	(1,024)	2,926	(1,313)	668	(1,981)	(297)
COMPREHENSIVE INCOME (LOSS)	36,608	(9,641)	46,249	(480)	23,481	45,849	(22,368)	(49)

Revenue increased $3.5 million, or 16%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase was primarily driven by exchange aggregation revenue, which increased $3.5 million, or 17%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024, which was primarily attributable to volume exchange growth related to our business-to-business partner efforts. Non-exchange aggregation (i.e., fiat onboarding, staking, consulting, and other) revenue increased $0.05 million, or 2%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase in non-exchange revenue was primarily driven by a $0.6 million (113%) rise in staking revenue, reflecting growth in total staked assets. This was partially offset by a 62% year-over-year decline in NFT and consulting revenue, due to lower business-to-business NFT activity and reduced demand for consulting services.

Revenue increased $10.5 million, or 20%, for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. The increase was primarily driven by exchange aggregation revenue, which increased $10.5 million, or 23%, for the six months ended June 30, 2025, compared to the six months ended June 30, 2024, which was primarily attributable to volume exchange growth related to our business-to-business partner efforts. Non-exchange aggregation (i.e., fiat onboarding, staking, consulting, and other) revenue decreased $0.1 million, or 2%, for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. The non-exchange revenue decrease was driven by lower NFT revenue with a decrease of $0.8 million or 86% as a result of the business-to-business NFT revenue decreasing due to reduced market demand within the NFT market, but partially offset by growth in staking and fiat revenue, which grew by 45% and 8%, respectively, for the six months ended June 30, 2025, compared to the six months ended June 30, 2024.

For the three and six months ended June 30, 2025, five API Providers accounted for more than 10% each of total revenue and collectively generated exchange aggregation revenue of $19.3 million and $43.9 million, respectively. For the three and six months ended June 30, 2024, four API Providers accounted for more than 10% each of total revenue and collectively generated exchange aggregation revenue of $15.5 million and $36.7 million, respectively.
The following table summarizes the revenue by users of the platform and the business-to-business partnerships for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Exchange aggregation - users	$ 20,867	80.8 %	$ 19,123	85.7 %	$ 48,686	78.8 %	$ 45,153	87.8 %
Exchange aggregation - partnerships	2,550	9.9	819	3.7	8,538	13.8	1,539	3.0
Fiat onboarding - users	986	3.8	949	4.3	2,107	3.4	1,957	3.8
Fiat onboarding - partnerships	2	-	3	-	21	-	6	-
Staking	1,110	4.3	522	2.3	1,698	2.7	1,167	2.3
Consulting - users	-	-	-	-	37	0.1	-	-
Consulting - partnerships	278	1.1	496	2.2	578	0.9	546	1.1
Other - users	34	0.1	38	0.2	158	0.3	93	0.2
Other - partnerships	-	-	358	1.6	-	-	907	1.8
Revenues	$ 25,827	100.0 %	$ 22,308	100.0 %	$ 61,823	100.0 %	$ 51,368	100.0 %

Technology, development and user support increased $4.0 million, or 37%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase was primarily due to a $1.5 million increase in partner fee expense as a result of a correlated increase in revenue from business-to-business partnerships, a $1.5 million increase in team member compensation and benefit expense as a result of increased team member compensation, payroll taxes and stock based compensation, a $0.6 million decrease in capitalized labor as a result of impairment of software projects, a $0.4 million increase in testing expenses, and a $0.2 million increase in subscription expenses primarily driven by higher costs associated with key infrastructure vendors for development tools, application development, performance optimization and security protections, partially offset by a $0.3 million dollar decrease in cloud services expenses and a $0.2 million decrease in depreciation and amortization expenses.

Technology, development and user support increased $8.2 million, or 38%, for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. The increase was primarily due to a $5.8 million increase in partner fee expense as a result of a correlated increase in revenue from business-to-business partnerships, a $0.7 million increase in team member compensation and benefit expense as a result of increased team member compensation, payroll taxes and stock based compensation, a $1.3 million decrease in capitalized labor as a result of impairment of software projects, a $0.4 million increase in testing expenses, and a $0.5 million increase in subscription expenses primarily driven by higher costs associated with key infrastructure vendors for development tools, application development, performance optimization and security protections, partially offset by a $0.4 million decrease in depreciation and amortization expenses and a $0.1 million decrease in technology equipment.

General and administrative expenses increased $9.8 million, or 108%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. Expenses driving the increase include a $3.4 million increase in marketing expenses, a $3.3 million increase in meeting and travel expense, a $2.5 million increase in legal and regulatory expenses, a $1.3 million increase in legal and consulting expenses, a $0.3 million increase in political contributions, a $0.2 million increase in subscription expenses, partially offset by a $1.4 million decrease in foreign currency expense and a $0.2 million decrease in team member compensation and benefit expenses.

General and administrative expenses increased $16.0 million, or 94%, for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. Expenses driving the increase include a $4.5 million increase in marketing expenses, a $4.5 million increase in meeting and travel expenses, a $2.5 million increase in legal and regulatory expenses, a $1.8 million increase in team member compensation and benefit expenses as a result of increased team member compensation, payroll taxes and stock based compensation, a $3.3 million increase in legal and consulting expenses, $1.4 million increase in political contributions, a $0.4 million increase in subscription expenses, and a $0.1 million increase in technology equipment expenses, partially offset by a $2.9 million decrease in foreign currency expense and $0.1 million in network fees.

The Company experienced a favorable fluctuation in the market price of digital assets held during the three months ended June 30, 2025, primarily driven by institutional inflows and ETF adoption, regulatory clarity and stablecoin legislation, and macro and geopolitical tailwinds. During the three months ended June 30, 2025, the Company recognized net realized gains from exchange of digital assets of $1.2 million and net unrealized gains from remeasurement of digital assets of $51.2 million. During the three months ended June 30, 2024, the Company recognized net realized gains from exchange of digital assets of $1.8 million and net unrealized losses from remeasurement of digital assets of $19.0 million.

The Company experienced a favorable fluctuation in the market price of digital assets held during the six months ended June 30, 2025, primarily driven by institutional inflows and ETF adoption, regulatory clarity and stablecoin legislation, and macro and geopolitical tailwinds. During the six months ended June 30, 2025, the Company recognized net realized gains from exchange of digital assets of $6.3 million and net unrealized gains from remeasurement of digital assets of $17.3 million. During the six months ended June 30, 2024, the Company recognized net realized gains from exchange of digital assets of $5.8 million and net unrealized gains from remeasurement of digital assets of $33.7 million.

Income tax expense was $0.9 million for the six months ended June 30, 2025, compared to an expense of $9.3 million for the six months ended June 30, 2024. The effective tax rate during the six months ended June 30, 2025 was 3.6% compared to 17.3% during the six months ended June 30, 2024. For the six months ended June 30, 2025, the change from the effective rate was primarily impacted by the change in permanent differences, including non-deductible expenses, and discrete items, including stock-based compensation and tax effect of realized and unrealized digital asset gains and losses during the period. For the six months ended June 30, 2024, the change from the effective rate was primarily impacted by the change in permanent differences and discrete items, including the tax benefit from the foreign derived intangible income and the effect of digital asset gains and losses, specifically recognized in the period.

Liquidity and Capital Resources

Overview

Our primary source of funding is from API fee revenues. We fund our operational costs from these revenues. Our primary use of funds is payment of our operating costs, which consist mostly of compensation and benefit expenses and security costs. As of the date of this filing, based on current operating plans, we believe that our existing cash and cash equivalents, treasury bills, USDC and digital assets, together with cash generated from our operations, will be sufficient to fund our operations and anticipated growth for the next twelve months and thereafter for the foreseeable future. We may seek to opportunistically raise additional capital through private or public equity securities offerings in the future.

We expect that increased market acceptance of digital assets and blockchain technology, combined with our expected continued growth of the Exodus platform, market acceptance of our services and ability to attract and retain users on our platform, should support our ability to generate sufficient cash to meet our requirements and plans for cash.

Cash Flows

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

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	$ Change
Net cash used in operating activities	$ (11,433)	$ (1,916)	$ (9,517)
Net cash provided by investing activities	$ 36,331	$ 19,536	$ 16,795
Net cash used in financing activities	$ (9,848)	$ (1,227)	$ (8,621)

Net Cash Used In Operating Activities

Net cash used in operating activities increased from June 30, 2024 to June 30, 2025 by $9.5 million. The primary drivers of the change were a decrease in net income of $20.4 million, an increase of $4.5 million in operating activities settled in digital assets and USDC, an increase of $2.4 million in working capital, and a decrease in deferred tax expense of $4.1 million, offset by a net decrease on digital assets of $15.9 million and an increase in stock based compensation of $2.0 million. The primary drivers of the increase in operating activities settled in digital assets and USDC included an increase to revenue of $11.6 million related to increased transaction volume, increased currency conversion of $2.0 million and increased payroll liabilities of $2.1 million, partially offset by $6.5 million of increased expenses, $2.3 million of conversion of digital assets and USDC to cash, net for use in operational expense and $2.3 million in accounts receivable.

Net Cash Provided By Investing Activities

Net cash provided by investing activities increased from June 30, 2024 to June 30, 2025 by $16.8 million. The increases were related to $24.0 million of net change in treasury bills investments and redemptions, proceeds for the sale of future token interests of $2.0 million, a decrease in purchases of $1.0 million of digital assets, partially offset by a decrease of $10.2 million of digital assets sold for cash.

Net Cash Used In Financing Activities

Net cash used in financing activities increased from June 30, 2024 to June 30, 2025 by $8.6 million. This was primarily driven by cash used for the repurchase of shares of our common stock to pay employee withholding taxes as a part of our 2019 and 2021 Plan.

Total Digital Assets and Liquid Assets

The following tables show the Company's holdings of digital assets and cash and cash equivalents (including treasury bills with a maturity date of less than three months), USDC, and treasury bills with a maturity date of greater than three months.

The digital asset holdings as of June 30, 2025 and December 31, 2024 were (in thousands, except units):

	Units	Cost basis	Fair Value
As of June 30, 2025			
Bitcoin	2,058	$ 87,826	$ 220,510
Ethereum	2,729	5,162	6,790
Other	4,785,240	9,081	5,890
Digital assets		$ 102,069	$ 233,190
As of December 31, 2024			
Bitcoin	1,941	$ 69,707	$ 181,238
Ethereum	2,655	4,967	8,847
Other	10,036,242	7,882	6,274
Digital assets		$ 82,556	$ 196,359

The liquid asset holdings as of June 30, 2025 and December 31, 2024 were (in thousands):

	Carrying Value	Quoted Prices Level 1	Significant Other Observable Inputs Level 2	Unobservable Inputs Level 3
As of June 30, 2025				
Cash and cash equivalents	$ 52,933	$ 52,933	$ -	$ -
USDC	158	158	-	-
Treasury bills	4,961	4,961	-	-
Total liquid assets	$ 58,052			
As of December 31, 2024				
Cash and cash equivalents	$ 37,883	$ 37,883	$ -	$ -
USDC	12	12	-	-
Treasury bills	30,490	30,490	-	-
Total liquid assets	$ 68,385			

Material Capital Commitments

Exodus currently has no material commitments for capital expenditures.

Critical Accounting Estimates

See the section titled "Critical Accounting Estimates" set forth under "Item 7. Management's Discussion and Analysis of the Financial Condition and Results of Operations" in the Form 10-K. There have been no material changes from those disclosed in the Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market price risk of digital assets

A large portion of our revenue generated from API providers is received in Bitcoin. A decline in the market price of digital assets had (and could in the future, have) an adverse effect on the Company's operations, the value of our digital assets, and our future operations and cash flows.

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. The digital asset industry has previously been negatively impacted by market price volatility. Pricing may be the result of, and may continue to result in, speculation regarding future appreciation in the value of Bitcoin. 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. A hypothetical 10% increase or decrease in the digital assets held would have resulted in a change to the fair value of $23.3 million and $19.6 million as of June 30, 2025 and December 31, 2024, respectively.

Interest rate risk

Our exposure to changes in interest rates primarily relates to interest earned on our cash and cash equivalents and U.S. Treasury Bills with maturities of approximately six months or less. We had no outstanding debt subject to interest rate risk as of June 30, 2025 and consequently, we do not currently expect to be exposed to fluctuations in interest rates for the foreseeable future.

Our investment policy and strategy related to our cash, cash equivalents, and treasury bills is to preserve capital and meet liquidity requirements without increasing risk. Our cash and cash equivalents consist of money market funds denominated in U.S. dollars, cash deposits, and treasury bills acquired with less than three months to maturity. Treasury bills outside of cash and cash equivalents include amounts acquired with three months to twelve months to maturity. Therefore the fair value of our cash, cash equivalents, and treasury bills would not be significantly affected by either an increase or a decrease in interest rates. A hypothetical 100 basis points increase or decrease in average interest rates applied to our daily balances held as of June 30, 2025 and 2024, would have resulted in a $0.6 million and a $0.7 million increase or decrease respectively, in interest earned on cash, cash equivalents, and treasury bills. The Federal Reserve has increased the Federal Funds Rate over 500 basis points since March 31, 2021 to control current levels of inflation and as of June 30, 2025, the Federal Funds Rate was 4.33%. A decrease in interest rates is possible. A hypothetical 500 basis points increase or decrease in average interest rates applied to our daily balances held as of June 30, 2025 and 2024, which hypothetical basis point increase corresponds closely to the increase of the Federal Funds Rate since early 2021, would have resulted in a $2.9 million and $3.5 million increase or decrease, respectively, in interest earned on cash, cash equivalents, and treasury bills.

Foreign currency risk

Foreign currency transaction risk
Revenues, expenses, and financial results of our foreign subsidiaries are recorded in the functional currency of these subsidiaries. Our foreign currency exposure is primarily related to transactions denominated in Swiss Francs attributable to cash and cash equivalents, and other intercompany transactions where the transaction currency is different from a subsidiary's functional currency. Changes in foreign exchange rates, and in particular a weakening of foreign currencies relative to the U.S. dollar may negatively affect our results of operations as expressed in U.S. dollars. We have experienced and will continue to experience fluctuations in our results of operations as a result of gains or losses on the settlement and the remeasurement of monetary assets and liabilities denominated in foreign currencies that are not the functional currency.

We recognized net foreign currency gains of $1.9 million and losses of $0.9 million for the six months ended June 30, 2025 and 2024, respectively, in general and administrative expense, net in the condensed consolidated statements of operations and comprehensive income (loss). If an adverse 10% foreign currency exchange rate change was applied to total monetary assets, liabilities, and commitments denominated in currencies other than the functional currencies at the balance sheet date, it would not have a material impact on our financial results.

We have not, but may in the future enter into derivatives or other financial instruments in an attempt to hedge our exposure to foreign currency exchange risk. It is difficult to predict the impact hedging activities would have on our results of operations. Additionally, the volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. Our international operations increase our exposure to exchange rate fluctuations and, as a result, such fluctuations could have a material impact on our future results of operations and cash flows.

Foreign currency translation risk

Fluctuations in functional currencies from our net investment in international 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. We recognized losses on translation adjustments, net of tax, of $1.3 million for the six months ended June 30, 2025, compared to gains on translation adjustments, net of tax, of $0.7 million for the six months ended June 30, 2024, in the condensed consolidated statements of operations and comprehensive income (loss). As of June 30, 2025 and 2024, a 10% increase or decrease on foreign currency exchange rates for translation purposes would not have a material impact on our financial results.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of, and under the supervision of, our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), evaluated the effectiveness of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of June 30, 2025. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2025 the Company's disclosure controls and procedures were not effective due to the material weaknesses in internal control over financial reporting, as described below.

Previously Reported Material Weakness

We identified errors in our previously reported financial information as of and for the year ended December 31, 2021. As a result of the errors that were identified, we identified a material weakness 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, we 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 we did not design and implement effective control activities based on the criteria in the Internal Control -- Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework"). Specifically, the control activities did not adequately (i) address relevant risks, (ii) provide evidence of performance, (iii) provide appropriate segregation of duties, or (iv) operate at a level of precision to identify all potentially material errors. While the Company is progressing in its efforts to remediate the existing material weaknesses in full, certain control activities attributing to those material weaknesses continue to exist as of June 30, 2025.

Remediation Plan Update of Previously Reported Material Weaknesses

We have continued to implement remediation activities designed to improve our internal control over financial reporting and address the material weaknesses previously disclosed. Since March 2025, we added experienced accounting leadership, including hiring key accounting management positions, to strengthen oversight of our financial reporting processes. These remediation activities include the following:

- During the three months ended June 30, 2025, management hired and trained additional personnel with an appropriate level of expertise and professional experience in certain areas critical to the financial reporting process to allow for appropriate segregation of reporting duties and enhance its internal control over financial reporting. Additionally, management replaced certain key accounting leadership positions with enhanced expertise to strengthen supervision and control oversight.
- During the three months ended June 30, 2025, we engaged with a third-party consultant with experience in the digital asset sector to provide professional services to assist management with remediation of specific control deficiencies and overall process improvement and documentation. These remediation activities commenced in June 2025 and are currently ongoing.
- We implemented enhancements to the financial close and review process, including additional documentation, workflow controls, and formal review procedures.
- We enhanced control precision and accountability through improved review-level controls and more rigorous documentation standards.

- As previously disclosed, we implemented an approval workflow in our general ledger system to enforce segregation of duties, and implemented entity-level and process-level control activities across the Company's operations and information technology environment.

We believe these actions have significantly improved our internal control over financial reporting. However, the material weaknesses previously identified remain unremediated as of June 30, 2025. Although management has made substantial progress, additional evaluation is ongoing to determine whether all control activities are sufficiently designed and operating as intended. External consultants are assisting management in reviewing and refining the control environment to improve alignment with the COSO framework. Management will continue to assess these enhancements and make additional improvements as necessary. We cannot ensure that the measures we have taken to date, and are continuing to implement, will be sufficient to remediate the material weaknesses we have identified or avoid potential future material weaknesses. While we believe the steps taken to date and those planned for future implementation will improve the effectiveness of our internal control over financial reporting, we have not completed all remediation efforts. The material weaknesses cannot be considered remediated until applicable controls have operated for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. As we continue to evaluate and work to remediate the control deficiencies that gave rise to the material weaknesses, we may determine that additional measures or time are required to address the control deficiencies or that we need to modify or otherwise adjust the remediation measures described above. Accordingly, we will continue to monitor and evaluate the effectiveness of our internal control over financial reporting.

We believe that the steps detailed above, are substantially implemented and once successfully tested, will remediate the identified material weaknesses.

Changes in Internal Control over Financial Reporting

Except as described above with respect to our remediation plan, there have been no changes in our internal control over financial reporting that occurred during the six months ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

The information required with respect to this item can be found in Note 10, "Commitments and Contingencies—Legal Proceedings" to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

There have been no material changes in our risk factors from those previously disclosed in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2024 and Item 1A of Part II of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(c) Trading Plans

On May 14, 2025, James Gernetzke, Chief Financial Officer of the Company, adopted a trading plan intended to satisfy Rule 10b5-1(c) under the Exchange Act to sell up to 96,000 shares of the Company's common stock between August 14, 2025 and December 31, 2026, subject to certain conditions.

On June 13, 2025, Jon Paul Richardson, a Director and Chief Executive Officer of the Company, adopted a trading plan intended to satisfy Rule 10b5-1(c) under the Exchange Act to sell up to 1,000,000 shares of the Company's common stock between September 12, 2025 and June 30, 2026, subject to certain conditions.

On June 13, 2025, Daniel Castagnoli, a Director of the Company and President of the Company's wholly-owned subsidiary, 3ZERO, adopted a trading plan intended to satisfy Rule 10b5-1(c) under the Exchange Act to sell up to 400,000 shares of the Company's common stock between September 12, 2025 and June 30, 2026, subject to certain conditions.

Item 6. Exhibits

Exhibit Number	Description	
3.1	Amended and Restated Certificate of Incorporation of Exodus Movement, Inc.	Incorporated by reference to Exhibit 3.1 to the Company's Form 10 filed on February 28, 2024.
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Exodus Movement, Inc., dated July 14, 2025	Filed herewith.
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.	
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents	
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EXODUS MOVEMENT, INC.

Date: August 11, 2025

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

Exhibit 3.2

CERTIFICATE OF AMENDMENT OF

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF

EXODUS MOVEMENT, INC.

Exodus Movement, Inc., a corporation existing under the laws of the State of Delaware (the "**Company**"), hereby certifies that:

FIRST: Article VIII of the Amended and Restated Certificate of Incorporation of the Company is hereby amended to read in its entirety as follows:

ARTICLE VIII

To the fullest extent permitted by the DGCL, as the same exists or as may hereafter be amended from time to time, no director or officer of the Company shall be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, as applicable. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Company shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. Solely for purposes of this Article VIII, "officer" shall have the meaning provided in Section 102(b)(7) of the DGCL as amended from time to time.

Neither any amendment nor repeal of this Article, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim accruing or arising or that, but for this Article, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

SECOND: The foregoing amendment to the Amended and Restated Certificate of Incorporation of the Company has been duly adopted in accordance with the provisions of Section 242 of the Delaware General Corporation Law (the "**DGCL**") and has been approved by the written consent of the stockholders of the Company in accordance with Section 228 of the DGCL.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed by its duly authorized officer on the date set forth below.

EXODUS MOVEMENT, INC.

By: /s/ James Gernetzke
Name: James Gernetzke
Title: Chief Financial Officer and Secretary

Dated: July 14, 2025

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Jon Paul Richardson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Exodus Movement, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2025

By: /s/ Jon Paul Richardson

Jon Paul Richardson
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James Gernetzke, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Exodus Movement, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2025

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

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Exodus Movement, Inc. (the “Company”) for the period ending June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 11, 2025

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

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Exodus Movement, Inc (the "Company") for the period ending June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 11, 2025

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