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PARTICIPANTS

Alice Lopatto – Host

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ALICE LOPATTO Welcome, everyone, to Exodus's second quarter 2024 earnings conference call. I'm Alice Lopatto, vice president of investor relations. Joining us today, our co-founder and CEO JP Richardson and CFO James Gernetzke. During today's call, we may make forward looking statements as defined by the federal securities laws. Actual results may differ materially from those contemplated by today's statements. Information concerning risks, uncertainties and other factors that could cause results to differ materially from those contemplated by these forward looking statements is included in our SEC filings available on the Investor Relations portion of our website. During today's call, we may also discuss certain non-GAAP financial measures. A reconciliation to the most closely comparable GAAP measure can be found in our second quarter 2024 earnings release, also available on the Investor Relations portion of our website. Please visit our social media apps or Reddit to submit your questions for the quarter after our call. You can expect a response from our Investor Relations team within 24 hours. And with that, let's go to JP for the first quarter review.

JP RICHARDSON Thank you Alice. Hello everyone and thank you for joining us today. We had an exciting quarter at Exodus. Second quarter, we grew revenue 80% year over year to \$22.3 million and delivered a strong adjusted EBITDA margin of 26%. These results speak to the tremendous product innovation that we bring to the digital assets market.

At Exodus, we want to make it possible for everyone to control their finances, and this mission is more critical today than ever. The rapid growth in the crypto market is undeniable. In Q2, Bitcoin prices showed continued strength ranging between 57,000 and \$73,000 despite cooling down and coming off the highs in Q1. You may have also seen last week the increased volatility across the markets. We believe this was driven by large market influences which included a global market sell off. In the near decade since Exodus was founded, we have seen many cycles in the cryptocurrency market, and we believe we are well positioned to succeed over the course of these cycles.

And more and more, we see the world of blockchain moving into the mainstream. For example, the registration for spot Ethereum ETFs following the recent SEC approval of spot Bitcoin ETFs is a sign that people and institutions want to invest in crypto and believe it to be the future. We're seeing crypto companies grow in scale, with more filing to go public. And some surveys suggest that 52 million Americans own crypto. It is becoming mainstream enough to enter the national political dialogue. These are clear signs the digital asset market is becoming a bigger piece of traditional financial systems, politics, and everyday life for people around the world. And why wouldn't it? Imagine being able to access your wealth 24/7. Much like the internet, without the hassle of a centralized custodian. This is the world that decentralized finance can offer. But today, the bar is still too high for most consumers to participate in digital asset markets.

This is because digital asset markets consist of a long list of chains that all operate differently and require specific knowledge, from Bitcoin to Ethereum to Solana. Most platforms cater to one or small subset of chains, which means that consumers often need more than one platform to manage or swap crypto. Not to mention many wallets are not built with user experience in mind. Here at Exodus, we are working to build wallet experiences for all your digital asset needs. We've worked for nearly a decade to make crypto widely accessible, incredibly easy to use, and secure. We do this by eliminating many of the barriers and much of the complexity of owning digital assets.

Under the hood, this starts with our exchange aggregator technology. Our exchange aggregator brings together a robust network of API providers that enable the access, management and exchange of digital assets. This network, combined with our proprietary technology, provides users the ability to swap digital assets across a broad range of blockchains and is designed to enable users to determine the best pricing, liquidity, and order fulfillment time without needing to access centralized exchanges or trade across multiple order books. On the surface, our beautiful design makes managing crypto simple for the everyday consumer, and because we provide a self-contained digital wallet in which we do not have the ability to touch customer funds, consumers have peace of mind knowing that their wealth is in their control.

For nearly a decade, we've built a trusted brand through our B2C strategy. In recent months, we've been working on our B2B strategy to provide other platforms with our innovation and expertise to grow their businesses. We took our strategy one step further in July by launching the Passkeys wallet. The Passkeys wallet is a powerful tool that allows developers to easily add that a wallet into their Web3 applications and take advantage of our fiat onboarding capabilities, as well as our exchange aggregator technology. By using our technology, other decentralized application platforms can easily onboard their users using Face ID, Touch ID, or even a password. With Passkeys. Consumers no longer need to worry about managing a 12-word secret phrase. The longer term vision is for people to no longer have to think about which blockchain they're on, to worry about crypto addresses, all without giving up the security of self-custody.

With our deep focus on security, Passkeys is one of the first multi-asset wallets using MPC, or multi-party computation, to support most major blockchains, including Bitcoin, Solana, Ethereum, and EVM-compatible chains. Additionally, we continue to be excited by our partnerships partnership with Magic Eden, which we've launched earlier this year. This partnership allows consumers to onboard the magic platform through our white label browser wallet integration. As we continue to expand our partnership, we plan to formally announce the launch of Magic Eden Mobile in the near future. Making

NFT ownership and management even easier by allowing users to access their NFTs on their mobile devices.

Finally, we are excited to have signed a deal with Ledger, a major hardware wallet provider and crypto platform. This partnership will integrate Exodus's exchange aggregator infrastructure into its platform and will be available later in Q3.

The early momentum of our B2B business is very encouraging. The business having been live for only two quarters. While we expect our B2C business to remain our core revenue driver for the foreseeable future. We believe our B2B strategy could meaningfully expand our growth as our partnerships ramp up over time. I also want to provide you with an update on our New York Stock Exchange American uplisting. As you may have seen, in early May, we received approval from the NYSE American to be listed on their exchange. This approval was later delayed by the NYSE until the SEC completes its review of our Form 10 registration statement. We will continue to work with the SEC, as we have been since our regulation offering in 2021, and we are confident we can provide them all the necessary information to clear the SEC review process and be uplisted.

I want to thank our customers, partners and team members for a great quarter. We are firing on all cylinders across product innovation, financial growth and customer satisfaction. While we understand there's more work to be done, we're proud of what we've built so far and we believe that it sets us up for long-term growth. Now I'll hand it over to James for a financial update.

JAMES GERNETZKE Thank you, JP, and thank you everybody for joining us. In Q2, we achieved another quarter of strong execution across the board. As J.P. mentioned, the crypto markets cooled down from the highs of Q1 but held on to most of its gains through Q2. Our results reflected this market resilience, as well as the great early progress we've seen in our B2B strategic initiatives. Our strong adjusted EBITDA demonstrates that inherent leverage in our business model that we believe sets us up

for durability in bear markets and strong growth in bull markets. And we continue to have a robust balance sheet, which gives us flexibility to further invest in providing the best experience to customers.

As a reminder, we recognize a large majority of our revenue from fees we charge third-party API providers for access to our users. Revenue generated from our exchange API providers makes up the core of our business. We also have our non-exchange revenue, which consists of other capabilities such as staking, fiat onboarding, and other revenue from our B2B business. Given our model, our business performance has historically been tied to cryptocurrency market cycles, which can be volatile in the short term. However, when looking over a longer period of time, we have been able to scale our business across these cycles, and in the future, we expect to further capture our addressable markets through strategies such as our B2B business.

In Q2, we generated \$22.3 million of revenue, up 80% year over year and down 23% from the prior quarter. Our year-over-year revenue growth was driven by strength in both our exchange aggregation, and our non-exchange aggregation revenue. This was attributable to a number of factors, including increased user activity on our platform, which was driven by continued strength in the cryptocurrency market; and the ramping up of our B2B partnerships like the one we have with Magic Eden. Exchange aggregation, which drives the majority of our revenue, made up 89.3% of total revenue. That's versus 92.1% in the prior quarter, primarily as a result of non-recurring higher consulting and other revenue related to our B2B partnerships. In aggregate, with our fiat onboarding and staking revenue, non-exchange aggregation revenue made up 10.7% of the total revenue in Q2. The decrease in total revenue quarter over quarter was driven by the market cooling versus Q1 as mentioned earlier. As we have discussed.

You can see here our exchange provider process volumes for the second quarter came in at \$1.1 billion. That's up 78% year over year, but down 22% quarter over quarter.

In Q2, we had a net loss of \$9.6 million compared to net income of \$1.9 million in the prior year and \$54.8 million in Q1 2024. These swings were primarily due to the remeasurement of digital assets, which contributed to net losses on digital assets of \$17.2 million in Q2 2024, and net gains on digital assets of \$56.8 million in Q1 2024. Adjusted EBITDA came in at a total of \$5.8 million, or 26.1% of total revenue. That's versus 32.8% in the prior year period and 45.4% in Q1. In recent quarters, we've invested in our headcount and product offering to scale our business over time. We have minimally used traditional marketing and advertising platforms, and have grown our number of users through word of mouth and our high quality YouTube channel. But we began a small rollout of marketing campaigns in Q2. Nonetheless, we expect to maintain a stringent level of operational discipline with an eye for profitability.

Our monthly active users in Q2 were 1.5 million versus 1.2 million a year ago and 1.7 million in Q1, which reflects the largely sustained market gains of Q1, with some cooling down later in the quarter, as we previously mentioned.

We ended the quarter with an extremely strong balance sheet with total assets of \$195 million, which consists of both digital assets, mainly Bitcoin and Ethereum, and U.S. dollars, dollar denominated stablecoins, and treasury bills, and no debt. This is down 6% from Q1 due to lower crypto prices at the end of Q2. A reminder here that we are early adopters of ASU 2023-08 so our digital assets are now held at fair value. While we expect some fluctuation with our balance sheet due to its makeup, we have years of experience balancing our operational, digital asset, and fiat currency needs within our treasury holdings. Our healthy corporate treasury provides us the flexibility to invest in our technology and services, including opportunities in M&A, as well as high-ROI marketing initiatives.

To close out, in Q2 in the first half of the year has been very validating to our business. Having the historical knowledge and experience of working in our markets has allowed us to perform through the ups and downs of the market cycles by building a brand that not only consumers love, but others in the digital asset market trust. We believe that in

the future, consumers will be owning and using crypto and other digital assets as part of their everyday lives. To meet this demand, we strive to scale our business responsibly, with strong revenue growth and operational excellence and a lawyer consumer following. With that, we'll take some questions.

ALICE LOPATTO Thank you James. Now let's answer some questions. A question comes from Singular Research analyst Edward Engel. "Can you talk about the adoption of the Passkeys wallet? Are you seeing growing demand for a product like this new wallet?"

JP RICHARDSON It's all early. But for those who have integrated the Passkeys experience. They love it. They absolutely love it. And why wouldn't they? Because it allows consumers to not have to worry about downloading a wallet. So in other words, if you are going to one of these DApps or these marketplaces, these NFT marketplaces, and you don't have a wallet before the Passkeys wallet, you would have to figure out like, "Oh, I'm going to go download MetaMask, like go, go download Exodus, Phantom, and what am I going to download? To figure out how to use this. This DApp experience. And so what the Passkeys wallet allows us to do, and allows our DApp partners to do, is to no longer have to force consumers to download a wallet. They can have that embedded wallet experience directly on the DApp.

Which is great, because then consumers don't have to worry about a 12-word secret phrase. They don't have to worry about downloading a wallet. And so it just makes this more palatable for the mainstream. The long term, what we're looking to do is remove all technical complexities that come with using crypto today. But again, it's early and we will announce more Passkeys partnerships in the coming weeks.

ALICE LOPATTO Our next question. "Can you talk about the growth of your wallet-as-a-service capabilities and the Magic Eden wallet? What are some future catalysts there?"

JP RICHARDSON Absolutely. So we released the Magic Eden browser extension earlier this year, and the results shocked us. As you can see from the Chrome Web App Store, you can see the Magic Eden browser extension, and they have 300,000 installs. And this is due to the technology we built combined with the Magic Eden strong brand. And the mobile wallet, it's going to be released and it's going to be announced in the coming weeks. And so we anticipate even stronger momentum there because of the deal and the partnership. There's a lot of things cooking behind the scenes.

But this Magic Eden deal and the Ledger integration of XO Swap really illustrates how other companies in this space love our technology. So we'll continue to announce more partnerships as they come in the future.

ALICE LOPATTO And our last question: “How has your fiat onboarding platform been working? Are you seeing improved metrics there with onboarding and off boarding from decentralized applications?”

JP RICHARDSON Our pay via onboarding platform isn't live yet. However, we are in the process of acquiring licenses and partnerships to bring it live in most major countries around the world. Just a matter of time before we can make it live in the U.S., Europe, and Latin America.

But the big vision here is to make the purchasing of crypto assets seamless. Whether you're using credit card, Apple Pay, checking account, it should not matter – to make this seamless. Same with off-ramping. You should have your crypto assets in your wallet, and you can be able to go to the supermarket, buy whatever you want. Just tap to pay. Not a problem. That's the vision here. But in the meantime, we're going to continue to work with our existing partners to bring these experiences to life as much as possible.

ALICE LOPATTO Thanks JP and James. Please visit our social media channels to submit your questions for management for the second quarter. And as I mentioned

before, you can expect a response from our Investor Relations team to each of your inquiries within 24 hours. Thanks for joining us today.