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

**FORM 1-U**

CURRENT REPORT PURSUANT TO REGULATION A

November 9, 2022  
(Date of Report (Date of earliest event reported))

**Exodus Movement, Inc.**

(Exact name of issuer as specified in its charter)

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**Delaware**  
(State or other jurisdiction of incorporation or organization)

**81-3548560**  
(I.R.S. Employer Identification No.)

**15418 Weir St. #333**  
**Omaha, NE 68137**  
(Full mailing address of principal executive offices)

**(833) 992-2566**  
(Issuer's telephone number, including area code)

**Class A Common Stock**  
(Title of each class of securities issued pursuant to Regulation A)

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## Item 9. Other Events

### *Press Release and Shareholder Letter*

On November 9, 2022, Exodus Movement, Inc. (the “Company”) issued a press release and shareholder letter to provide an update on the results of operations for the quarter ended September 30, 2022. Copies of the press release and shareholder letter are attached hereto as Exhibits 99.1 and 99.2, respectively, and incorporated herein by reference.

For further details on our financial results for the three and nine months ended September 30, 2022 and 2021, respectively, please see our Form 1-U filing on November 9, 2022.

### *Safe Harbor and Forward-Looking Statements*

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

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

### *Exhibits*

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
<a href="#"><u>99.1</u></a>	Press release dated November 9, 2022
<a href="#"><u>99.2</u></a>	Shareholder letter dated November 9, 2022

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**SIGNATURES**

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

EXODUS MOVEMENT, INC.

By: /s/ James Gernetzke  
Chief Financial Officer (Principal Financial & Accounting Officer)

Date: November 9, 2022

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9 November 2022

### Exodus Reports Third Quarter 2022 Results

**Exodus Movement, Inc.** (tZERO: EXOD), (“the Company” or “Exodus”) the leading self-custodial cryptocurrency software platform, today announced its fiscal 2022 results for the third quarter ended September 30, 2022. The Company reported third quarter revenue of \$11.0 million, a decrease of 39% year-over-year.

#### Third Quarter 2022 Financial Highlights

<i>In USD millions, except percentages</i>	<u>Q3 2022</u>	<u>Q3 2021</u>	<u>% Change</u>	<u>YTD 2022</u>	<u>YTD 2021</u>	<u>% Change</u>
<b>Total Revenue</b>	\$ 11.0	\$ 18.1	(39%)	\$ 39.4	\$ 69.4	(43%)
Total Cost of Revenues	6.6	6.9	(4%)	20.9	16.4	27%
Operating Expenses	4.5	4.7	(4%)	24.2	16.3	48%
<b>(Loss) Income from Operations<sup>1</sup></b>	\$ (0.1)	\$ 6.5	(102%)	\$ (5.7)	\$ 36.7	(116%)
Operating Margin	(1%)	36%		(15%)	53%	
<b>Net Income (Loss)</b>	\$ (1.3)	\$ 9.2		\$ (21.7)	\$ 31.3	
<b>Adjusted EBITDA<sup>2</sup></b>	\$ 1.3	\$ 6.9		\$ (2.1)	\$ 37.0	

“Our financial results reflect a challenging year filled with tough decisions for Exodus and its leadership,” said JP Richardson, CEO and co-founder of Exodus. “We reduced our workforce by 22% post the third quarter-end, understanding that the team we planned on in the raging bull market of 2021 is not the team that makes sense for us today. This was a difficult but necessary decision to ensure Exodus thrives in all market cycles. Our focus now turns to adding customers to our platform and continuing to provide industry leading products and services our customers love.”

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

<sup>2</sup> Non-GAAP metric. For a reconciliation of Net Income to Adjusted EBITDA, please refer to the reconciliation table at the end of this press release.

### Third Quarter Operational and Other Financial Highlights

- **Exchange provider processed volume** - \$0.55 billion, down 47% from Q3 2021. Bitcoin, Tether and Ethereum were top assets traded at 26%, 15% and 14% of volume, respectively.
- **Exodus monthly active users<sup>3</sup>** - 764,863, down 15% from 902,986 in Q3 2021.
- **Adjusted EBITDA<sup>4</sup>** - \$1.3 million, down 81% from \$6.9 million in Q3 2021.
- **Digital assets and cash<sup>5</sup>** - approximately \$77 million in USD, USDC, Bitcoin and other digital assets as of September 30, 2022.
- **Full-time equivalent employees** - approximately 275 as of September 30, 2022 and approximately 216 as of November 7, a decrease from 290 at Q2 2022 end.
- **Customer response time** - average response time of less than 10 minutes.

“Our strong balance sheet ensures we can continue to build and deliver a beautifully-designed product in all market cycles,” said James Gernetzke, CFO of Exodus. “Critical roles are in place for us to aggressively pursue our product roadmap, including the buildout of our browser-based Web3 Wallet. With the workforce reduction, our continued cost discipline and focus on revenue growth, we expect Adjusted EBITDA to grow in the first quarter of next year.”

### Live Webcast Details

Exodus will provide a live webcast of its third quarter 2022 fiscal results beginning at 3:30 p.m. EST on November 9, 2022 at [www.exodus.com](http://www.exodus.com). Investors may also access the live webcast [by using this link](#).

Questions for Exodus Management related to the third quarter can be submitted via e-mail at [investors@exodus.com](mailto:investors@exodus.com) in advance of the live webcast.

### Contact

#### Customer Support

[support@exodus.com](mailto:support@exodus.com)

#### Investor Relations and Media

Allysa Howell

[investors@exodus.com](mailto:investors@exodus.com)

+1 (720) 484-1147

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<sup>3</sup> Monthly active users as of September 30, 2022.

<sup>4</sup> Non-GAAP metric. See footnotes at the end of this release.

<sup>5</sup> Digital assets at Market Value as of September 30, 2022.

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## About Exodus

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

## Disclosure Information

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

## Non-GAAP Financial Measure

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

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

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

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

#### Reconciliation of Net Income to Adjusted EBITDA

<i>In USD millions</i>	3Q22	3Q21	YTD 3Q22	YTD 3Q21
Net (loss) income	\$ (1.3)	\$ 9.2	\$ (21.7)	\$ (31.3)
Interest income	(0.1)	-	(0.4)	(0.3)
Income tax (benefit) expense	(0.3)	1.8	(5.4)	4.9
Depreciation and amortization	0.8	0.2	1.7	1.2
<b>EBITDA</b>	<b>\$ (0.9)</b>	<b>\$ 11.2</b>	<b>\$ (25.8)</b>	<b>\$ (25.5)</b>
Loss on extinguishment of SAFEs	-	-	-	61.0
Gain on sale of digital assets	(0.3)	(10.0)	(2.4)	(17.4)
Impairment of digital assets	1.2	5.4	22.5	18.6
Unrealized loss on investments	0.1	-	-	-
Stock based compensation	1.2	0.2	3.6	0.3
<b>Adjusted EBITDA</b>	<b>\$ 1.3</b>	<b>\$ 6.8</b>	<b>\$ (2.1)</b>	<b>\$ 37.0</b>

#### Forward-Looking Statements

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

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

- expectations regarding future customer adoption of Exodus for dApps, DeFi and NFTs compared to its competitors;
  - the impact of the COVID-19 pandemic on the health and safety of our employees, users, as well as the physical and economic impacts of the various recommendations, orders, and protocols issued by local and national governmental agencies in light of continual evolution of the pandemic, including any periodic reimplementation of preventative measures in various global locations;
  - the ongoing conflict in Ukraine, the impact of sanctions or other restrictive actions, by the United States and other countries, and the potential response by Russia thereto;
  - difficulties predicting user behavior and changes in user spending habits as a result of, among other things, prevailing economic conditions, levels of employment, salaries and wages, inflation and consumer confidence, particularly in light of the pandemic and as pandemic-related restrictions are eased regionally and globally;
  - unexpected or rapid changes in the growth or decline of our domestic and/or international markets;
  - increasing competition from existing and new competitors;
  - rapidly evolving and groundbreaking advances that fundamentally alter the digital asset and cryptocurrency industry;
  - continued compliance with regulatory requirements;
  - volatility in the price of cryptocurrencies, such as Bitcoin, and other digital assets;
  - the possibility that the development and release of new products or enhancements to existing products do not proceed in accordance with the anticipated timeline or may themselves contain bugs or errors requiring remediation and that the market for the sale of these new or enhanced products may not develop as expected;
  - the risks relating to our ability to sustain or increase profitability or revenue growth in future periods (or minimize declines) while controlling expenses;
  - the compromise of user data for any reason;
  - foreign operational, political and other risks relating to our operations; and
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- the loss of key personnel, labor shortages or work stoppages.

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

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Dear Exodus Shareholder,

On November 4, 2022, we made the difficult but necessary decision to reduce our workforce by 22%. This wasn't a decision we made lightly.

Before this decision, we cut all paid media spend, reducing spend from \$40 million to \$12 million. We renegotiated our contracts to get reduced rates and reduced all software subscriptions to the minimum necessary. Finally, we paused hiring.

Unfortunately, this was not enough and approximately 60 colleagues were eliminated from the organization. I believe any failures in our Company are a direct reflection of my leadership choices. The workforce reduction is no exception.

I am grateful these individuals were a part of our story. We appreciate their hard work and we wish them the best of luck on their journey. Our crypto community is small, and we hope to see our impacted team members remain committed to the movement ushered by this industry.

Exodus now moves ahead with confidence and with the critical roles in place to ensure we can continue to execute on our mission to help half the world exit traditional finance. Although we expect to incur \$1.0 million in severance costs in the fourth quarter this year, by 2023 we anticipate reducing our annual operating expenses by \$6.0 million from the workforce reduction.

Our third quarter financial results reflect the persistent crypto winter. Revenue for the third quarter of \$11.0 million decreased 39% over the prior year period and 15% sequentially. Our monthly active users also declined to 764k, down 15% over the prior year quarter and 6% sequentially.

Amidst a challenging macro and crypto environment, our Treasury maintained approximately \$77 million in cash and digital assets at market value at quarter-end. We are well armed with adequate funding and the critical roles to continue to build and deliver a beautifully-designed product.

Most recently, our browser-based Exodus Web3 Wallet graduated from beta, and to date supports five networks with more to come by year end. Our Web3 Wallet will be among the first to offer cross-chain exchanges. Other product enhancements, including language localization and fiat offramps, are expected by year end.

Our customer support team is standing by to offer you human support 24/7. Reach out anytime to [support@exodus.com](mailto:support@exodus.com)! For investor questions, our team is available at [investors@exodus.com](mailto:investors@exodus.com) to address your concerns.

Thank you for your continued support.

Onwards,

JP Richardson  
CEO and Co-Founder

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## Key Metrics for the Third Quarter 2022 Ended September 30, 2022

**Monthly Active Users:** MAUs were 764,863 as of quarter end, down 15% from the 902,986 MAUs on September 30, 2021.

**Exchange Aggregation Business:** The volume processed by the exchange API Providers was approximately \$0.55 billion in Q3 2022, down 47% from \$1.03 billion in Q3 2021. Bitcoin, Tether, and Ethereum were the top assets traded at 26%, 15%, and 14% of volume, respectively. Dollar amount per transaction was \$1,489, up 7% YoY from \$1,389 per transaction in Q3 2021,

### Key metrics summary

	3Q22	3Q21	% Y/Y change
Exchange volume (\$ in thousands)	\$ 699,624	\$ 1,032,700	(32%)
Exchange transactions	442,838	743,333	(40%)
\$/transaction	\$ 1,489	\$ 1,389	7%
Downloads	533,003	807,058	(34%)

### Financial Results for the Third Quarter 2022 Ended September 30, 2022

**Total Revenue** of \$11.0 million for the quarter decreased 15% sequentially and 39% relative to the prior year third quarter. Exchange aggregation revenue of \$10.8 million accounted for the majority of total revenue in the third quarter.

### Revenue by category

Revenue (\$s in 000s)	Q3 2022	% of 3Q22 Operating Revenue	Q3 2021	% of 3Q21 Operating Revenue	% Y/Y change
Exchange aggregation	\$ 10,796	97.8%	\$ 17,427	96.3%	(38%)
Consulting	-	-	9	0.0%	(100%)
Fiat on-boarding	106	1.0%	130	0.7%	(18%)
Staking	121	1.1%	367	2.0%	(67%)
Other	11	0.1%	167	0.9%	(93%)
<b>Total Revenue</b>	<b>\$ 11,034</b>	<b>100.0%</b>	<b>\$ 18,100</b>	<b>100.0%</b>	<b>(39%)</b>

**Operating Expenses** (excluding depreciation, amortization and impairments) were \$11.1 million, a decrease of 4% from \$11.6 million in Q3 2021. The decrease reflects significantly lower marketing and software development expenses, partially offset by increased hiring and associated compensation and incentive expenses. The Exodus team stood at approximately 275 full time equivalents as of September 30, 2022, an increase from 200 in Q3 2021. After the workforce reduction on November 4, 2022, the Exodus team stood at approximately 216 full time equivalents.

## Expenses by category

Expense category (\$s in millions)	3Q22	3Q21
Cost of Revenues	\$ 6.6	\$ 6.9
<i>Cost of Revenues as a % of revenue</i>	59.7%	37.9%
General & Administrative	3.5	2.9
<i>General &amp; Administrative as a % of revenue</i>	31.8%	16.3%
Advertising & Marketing	1.0	1.8
<i>Advertising &amp; Marketing as a % of revenue</i>	9.4%	9.7%
Total operating expenses	\$ 11.1	\$ 11.6
<i>Total operating expenses as a % of revenue</i>	100.8%	63.9%

**Adjusted EBITDA<sup>1</sup>** was \$1.3 million in Q3 2022, a significant decrease relative to Q3 2021, largely reflecting 39% lower revenue. Total operating expenses decreased 4% from Q3 2021.

## Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA

In USD millions	3Q22	3Q21	YTD 3Q22	YTD 3Q21
Net (loss) income	\$ (1.3)	\$ 9.2	\$ (21.7)	\$ (31.3)
Interest income	(0.1)	-	(0.4)	(0.3)
Income tax (benefit) expense	(0.3)	1.8	(5.4)	4.9
Depreciation and amortization	0.8	0.2	1.7	1.2
<b>EBITDA</b>	<b>\$ (0.9)</b>	<b>\$ 11.2</b>	<b>\$ (25.8)</b>	<b>\$ (25.5)</b>
Loss on extinguishment of SAFEs	-	-	-	61.0
Gain on sale of digital assets	(0.3)	(10.0)	(2.4)	(17.4)
Impairment of digital assets	1.2	5.4	22.5	18.6
Unrealized loss on investments	0.1	-	-	-
Stock based compensation	1.2	0.2	3.6	0.3
<b>Adjusted EBITDA</b>	<b>\$ 1.3</b>	<b>\$ 6.8</b>	<b>\$ (2.1)</b>	<b>\$ 37.0</b>

**Cash and digital asset holdings.** We hold approximately \$77 million in cash and digital assets on the balance sheet and are one of few public companies that hold over 1,000 Bitcoin in corporate treasury. As of September 30, 2022 we held \$46.0 million in USD and USDC, and \$25.7 million in bitcoin at market value. The table below reflects the value of certain assets both in terms of market value and book value as of September 30, 2022 and December 31, 2021.

<sup>6</sup> Non-GAAP metric. See footnotes at the end of this communication.

(\$s in 000s)	9/30/2022		12/31/2021	
	Book Value	Market Value	Book Value	Market Value
BTC	\$ 18,427	\$ 25,695	\$ 33,253	\$ 61,218
ETH	2,175	3,370	3,757	9,342
Algorand	1,179	1,474	5,023	6,407
Other Digital Assets	123	141	-	-
Cash and cash equivalents	34,685	34,685	5,375	5,375
USDC	11,360	11,360	45,291	45,291
Tether	-	-	77	77
<b>Total</b>	<b>\$ 67,949</b>	<b>\$ 76,725</b>	<b>\$ 92,776</b>	<b>\$ 127,710</b>

### Q3 Live Webcast

Our third quarter 2022 fiscal results will be webcast live beginning at 3:30 p.m. (Eastern Time), November 9, 2022 at [www.exodus.com](http://www.exodus.com). Investors may also access the live webcast [by using this link](#). A replay of the call will be available on the same website.

### Forward-Looking Statements

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

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

- the impact of the COVID-19 pandemic on the health and safety of our employees, users, as well as the physical and economic impacts of the various recommendations, orders, and protocols issued by local and national governmental agencies in light of continual evolution of the pandemic, including any periodic reimplementation of preventative measures in various global locations;
  - the ongoing conflict in Ukraine, the impact of sanctions or other restrictive actions, by the United States and other countries, and the potential response by Russia thereto;
  - difficulties predicting user behavior and changes in user spending habits as a result of, among other things, prevailing economic conditions, levels of employment, salaries and wages, inflation and consumer confidence, particularly in light of the pandemic and as pandemic-related restrictions are eased regionally and globally;
  - unexpected or rapid changes in the growth or decline of our domestic and/or international markets;
  - increasing competition from existing and new competitors;
  - rapidly evolving and groundbreaking advances that fundamentally alter the digital asset and cryptocurrency industry;
  - continued compliance with regulatory requirements;
  - volatility in the price of cryptocurrencies, such as Bitcoin, and other digital assets;
  - the possibility that the development and release of new products or enhancements to existing products do not proceed in accordance with the anticipated timeline or may themselves contain bugs or errors requiring remediation and that the market for the sale of these new or enhanced products may not develop as expected;
  - the risks relating to our ability to sustain or increase profitability or revenue growth in future periods (or minimize declines) while controlling expenses;
  - the compromise of user data for any reason;
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- foreign operational, political and other risks relating to our operations; and
- the loss of key personnel, labor shortages or work stoppages.

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

#### **Non-GAAP Financial Measure**

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

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

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

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

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