



ELECTRIC COIN CO.

Transparency Report

A REVIEW OF INCOME, EXPENSES, AND USE OF FUNDS IN **Q3 2024**

MARCH 2025

Why release a transparency report?

Electric Coin Co. (ECC)* is committed to openness and transparency — as we help evolve and support the Zcash digital currency, and in support of our mission to empower people with economic freedom. This transparency report details company income, expenses, and use of funds during Q3 2024.

**ECC is a wholly-owned subsidiary of The Bootstrap Org., Inc. (Bootstrap), a nonprofit public charity under Internal Revenue Code Section 501(c)(3).*

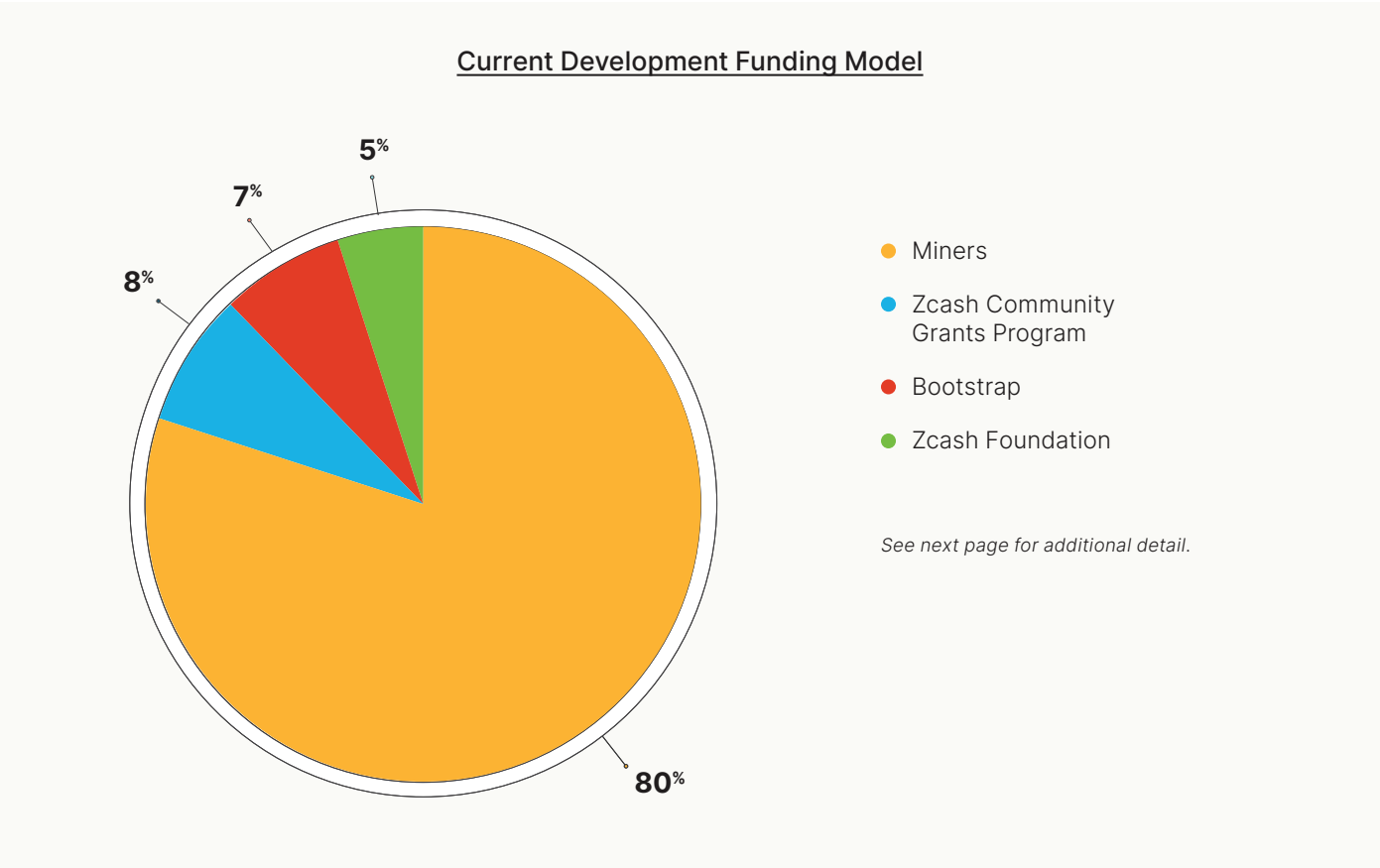
Key takeaways:

- → Bootstrap received coins at a value below the ECC operating expense level for Q3 2024. During this time, Bootstrap received coins at an average of \$237K a month (at the Q3 average ZEC price, \$30.92, for each of the three months' distribution dates), and Bootstrap and ECC incurred average monthly expenses of approximately \$380K.
- → At the end of Q3 2024, Bootstrap and ECC collectively held approximately \$806K in USD and approximately 112K ZEC.

Income and the mechanics of the development fund

The Founders Reward (FR), Zcash’s original development funding mechanism, expired in November 2020 at the first Zcash halvening. At that time, block rewards were halved to 3.125 ZEC and a new development fund, as proposed and approved by the community, was implemented. The fund distributed 80 percent of Zcash issuance to miners, while 20 percent was devoted to Zcash development funding. Importantly, 8 percent of the total block reward (or about 40 percent of this dev fund) went to Zcash Community Grants (ZCG), a program that funds independent, third-party developers. Bootstrap received 7 percent of the total rewards, and the remaining 5 percent **supports** the work of the Zcash Foundation. The Zcash Foundation and ZCG are completely separate and independent from Bootstrap and ECC, and there is no overlap in directors, officers, or staff.

In November 2024, at the latest Zcash halvening, the Zcash development fund transitioned to a 1-year Hybrid Deferred Dev Fund where 8 percent of all block rewards go to the ZCG organization to pay independent teams and individuals for Zcash-related work. ECC and ZF no longer receive direct funding from block rewards. Instead, the 7 and 5 percent issuance they received in the past, goes into a lockbox where it is designated for future decentralized grants funding. During this 1-year period, the Zcash community will decide whether to devise a different model and/or how to design a non-direct funding model where no organization is directly funded by block rewards.

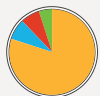


The approximate amount of total mining rewards generated each calendar month in Q3 2024 was 109,863 ZEC. At a price of \$31.44 per coin, this equated to \$3,454,077.

The table below shows the approximate share of mining rewards and estimated dollar value received per month for July through September 2024.

July – September 2024		
RECIPIENT	SHARE OF MINING REWARDS	MONTHLY USD VALUE AT ZEC PRICE OF \$31.44*
Miners	80%	\$2,763,262
Zcash Community Grants Program	8%	\$276,326
Bootstrap	7%	\$241,785
Zcash Foundation	5%	\$172,704

**Average of the daily closing price July - September 2024. Totals are calculated assuming the average block time, i.e., 35,156 blocks on average per calendar month, and rounded to the nearest USD.*



Key



Miners

Responsible for transaction verification.



Zcash Community Grants

Zcash Community Grants (ZCG) funds projects that advance the usability, security, privacy, and adoption of Zcash. ZCG is a technology advisory board that constitutes a committee of the Zcash Foundation, under its bylaws. Grants are chosen by a committee of five members who were elected by the Zcash Community Advisory Panel.



Bootstrap

ECC is the author of this report. Until Q4 2020, ECC was a for-profit entity focused on building and supporting the Zcash protocol and affiliated software. In November 2020, it shifted to being wholly owned by The Bootstrap Org. Inc., a 501(c)(3). A breakdown of ECC activities and expenses are included in this report.



Zcash Foundation

The Zcash Foundation is a 501(c)(3) nonprofit that focuses on financial privacy. Its stated mission is to build internet payment and privacy infrastructure for the public good.

Income and holdings

In Q3 2024, Bootstrap revenue/income was recognized at the market price for the coins received on the day they were received. The coins were held as an asset on Bootstrap's books at the market price established on the day received. At the point of a subsequent sale of any of those coins, a sale price above or below would create a gain or a loss to be recognized depending on the price at the time of sale.

The first development fund distribution of 7,656 ZEC was received by Bootstrap in December 2020, and Bootstrap continued to receive the same distribution of coins each month until November 2024.

At the end of Q3 2024, Bootstrap and ECC collectively held approximately \$806K in USD and approximately 112K ZEC. As of March 12, 2025, the company held approximately \$1.0M in USD and approximately 83K ZEC. In the December 2021 transparency report, we provided an update on additional material holdings, or assets, on Bootstrap's books, including two investments/assets and one debt/liability. In 2018, ECC invested in two companies focused on areas deemed to be complementary to ECC's mission. The first was Agoric Systems, LLC, and the second was Starkware Industries Ltd. Additionally, in August 2019, Bootstrap/ECC received 100,000 shares, vesting over time, in Bolt Labs.

In 2021, Bootstrap received 41.6M BLD tokens for our investment in Agoric, which includes certain lock-up requirements. Recently, Bootstrap elected to receive approximately 12.7M Starknet tokens related to our Starkware investment, which also includes certain lock-up requirements. Any revenue resulting from the sale of these tokens goes to the Bootstrap treasury. As of mid-March 2025, Bootstrap has sold 12.0M BLD and 2.3M STRK for additional liquidity.

Bootstrap has a single material liability with a current balance of \$3.4M as of mid-March 2025. The initial balance of the liability was \$3.75M and was originally due in September 2024. In order to fund the continued operation of ECC in 2016, the company agreed with Least Authority Enterprises (LAE) to purchase a portion of LAE's right to its share of ZEC from the Founders Reward (10/2016 through 11/2020), in return for \$250k up front and \$3.75M payable in September of 2024. This purchase agreement has now been replaced with a promissory note which requires minimum monthly payments of \$50k until the note is paid in full (January 2031 at the latest). Note that LAE has reassigned the note to Electric Notes, LLC. Written into the note agreement is the potential for increased monthly payments based on the prices of tokens held by Bootstrap (BLD & STRK), and the note also accrues interest at 1.25% per year. This debt, along with all of ECC's material assets, was assumed by Bootstrap, the 501(c)(3) parent of ECC, in 2020 at its inception. The total assets reflected on Bootstrap's balance sheet exceed the LAE liability.



Expenses and use of funds

During Q3 2024, Bootstrap and ECC operating expenses averaged approximately \$380K. We do not generally experience large variations in the departmental expense breakdown quarter over quarter.

In an effort to motivate and retain a highly valued team, ECC implemented an employee retention plan denominated in ZEC. These funds are periodically granted to employees and distributed over a four-year vesting period.

Shown below is the ECC functional department expense grouping for Q3 2024. All expenses attributed to each department are included in the percentage.

Department	2024 Q3	2024 Q2
Development	52%	50%
Growth and Regulatory	17%	22%
General and Admin	31%	28%
Security/Audit	0%	0%

Q3 2024 use of funds

ECC used funds received to develop and support Zcash technology and its adoption. The activities below include work in the third quarter of 2024. In some cases, we might reference work that was since completed but in progress during this time period.

Research & development	ECC protocol engineers continued to collaborate with Qedit on the design of Zcash Shielded Assets. Initial work was done for the design of memo bundles (which will allow sending longer memos in a future upgrade).
Engineering	Q3 2024 saw the implementation of Network Upgrade 6 in zcashd and the Zcash core libraries. This upgrade, which would activate in Q4, extended the Development Fund for a further year. New features in our libraries and the Zashi wallet included: Coinbase OnRamp; currency conversion (with exchange rates queried over Tor for privacy); support for TEX addresses; an address book; recovery of transparent wallet history; dynamic server switching; and Dark Mode and other UX improvements. We contracted Greg Pfeil to develop a pure Rust implementation of the Bitcoin script interpreter, in support of zcashd deprecation. We also made initial approaches to a hardware wallet vendor, Keystone, to support shielded Zcash — which would pay off dramatically in Q4.
U.S. Policy/ Global Regulatory Relations	Paul Brigner departed to join Coinbase. We continued to engage with the Blockchain Association.

Comms, user adoption, and education

After months of discussion and collaboration with the Zcash community, ECC helped finalize the Dev Fund decision process, ensuring continued funding for future development. More details can be found [here](#).

In July, ECC published its updated roadmap, outlining strategic priorities for Zcash development. The roadmap highlights key focus areas, including improving ZEC usability, enhancing privacy, and expanding ecosystem integrations.

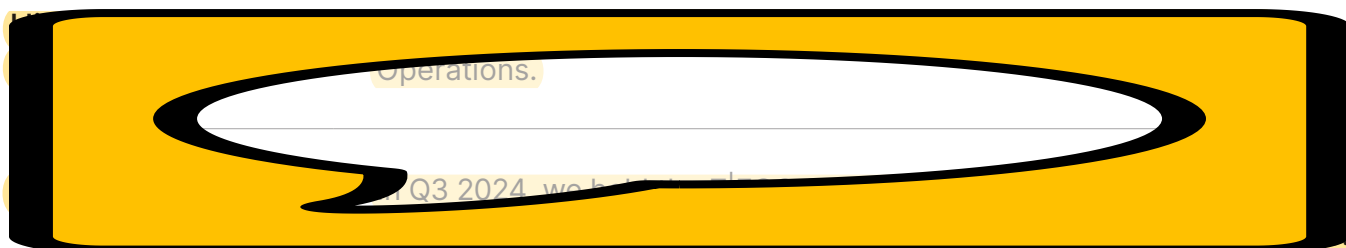
As part of ongoing efforts to improve decentralization and community decision-making, Josh Swihart proposed a new Zcash governance model, known as zBloc. This model aims to increase transparency and give the community a stronger voice in protocol decisions.

In a significant governance shift, ECC formally announced the termination of the ECC-ZF trademark agreement.

ECC announced multiple improvements to Zashi, focusing on usability and accessibility:

- A new currency conversion feature that fetches exchange rates over Tor without compromising privacy ([details](#)).
- TEX-address support ([details](#)).
- The first Zashi integration—Coinbase—allowing users to buy ZEC directly within the wallet, eliminating friction in self-custody and simplifying onboarding ([details](#)).

Daira-Emma Hopwood appeared on a panel at the TUM Blockchain Conference: [The Battle for Privacy](#).





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