



ELECTRIC COIN CO.

Transparency Report

A REVIEW OF INCOME, EXPENSES, AND USE OF FUNDS IN **Q4 2024**

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 Q4 2024.

As we ceased to receive development funding in November of 2024, this concludes our reporting obligations as a recipient of the Development Fund under ZIP 1014. Moving forward, ECC may provide reports periodically as required by future grant agreements or other obligations.

**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:

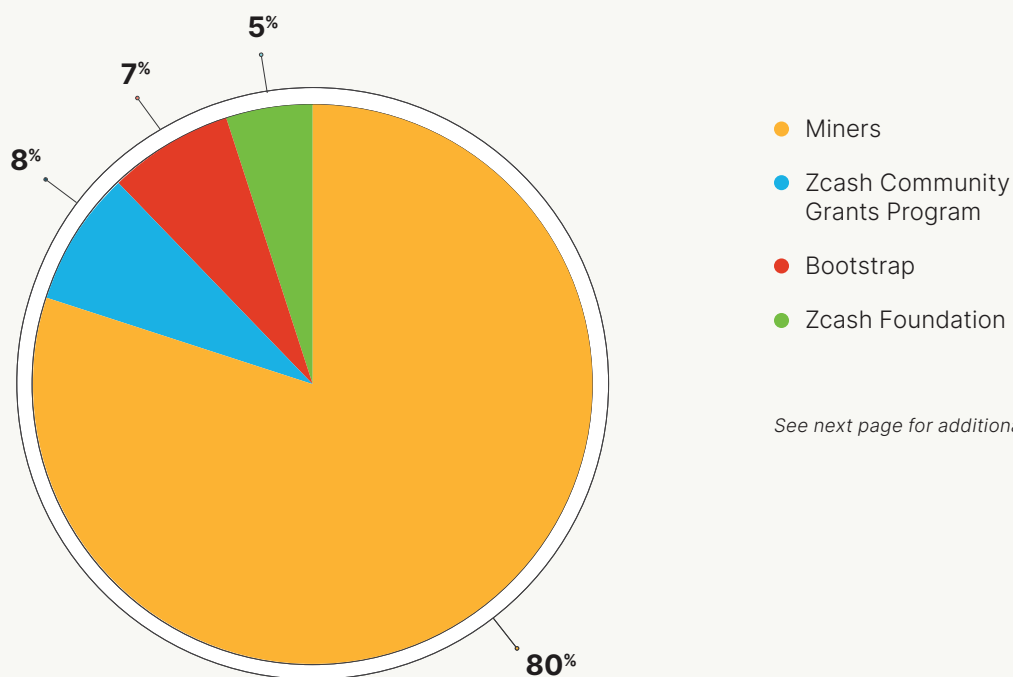
- → Bootstrap received coins at a value below the ECC operating expense level for Q4 2024. During this time, Bootstrap received coins at an average of \$293K a month (at the Q4 average ZEC price, \$38.31, for each of the three months' distribution dates), and Bootstrap and ECC incurred average monthly expenses of approximately \$375K.
- → At the end of Q4 2024, Bootstrap and ECC collectively held approximately \$823K in USD and approximately 115K 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 supported 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. In May 2025, the Zcash community voted to extend the Hybrid Deferred Dev Fund until Zcash's 3rd halvening (approximately an additional 3 years) using a model that shares governance between coinholders and community members - the Community & Coinholder Funding Model (C&C).

Current Development Funding Model



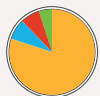
See next page for additional detail.

The approximate amount of total mining rewards generated each calendar month in Q4 2024 was 86,849 ZEC. At a price of \$46.89 per coin, this equated to \$4,072,348.

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

October-December 2024		
RECIPIENT	SHARE OF MINING REWARDS	MONTHLY USD VALUE AT ZEC PRICE OF \$46.89*
Miners	80%	\$3,257,878
Zcash Community Grants Program	8%	\$325,788
Bootstrap	7%	\$285,064
Zcash Foundation	5%	\$203,617

**Average of the daily closing price October - December 2024. Totals are calculated assuming the average block time, i.e., 35,151 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 Q4 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 Q4 2024, Bootstrap and ECC collectively held approximately \$823K in USD and approximately 115K ZEC. As of June 25, 2025, the company held approximately \$1.0M in USD and approximately 67K 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 that focused on areas deemed 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 generated from the sale of these tokens is allocated to the Bootstrap treasury. As of June 2025, Bootstrap has sold 22.8M BLD and 3.4M STRK for additional liquidity.

Bootstrap has a single material liability with a current balance of \$3.3M as of June 2025. The initial balance of the liability was \$3.75M and was originally due in September 2024. 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 based upon the trailing 30-day ZEC price until the note is paid in full (by January 2031). Note that LAE has reassigned the note to Electric Notes, LLC. The note agreement includes the potential for increased monthly payments based on the prices of tokens held by Bootstrap (BLD & STRK), and the note also accrues interest at a rate of 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 Q4 2024, Bootstrap and ECC operating expenses averaged approximately \$375K. We generally do not experience large variations in the departmental expense breakdown from quarter to quarter.

To motivate and retain a highly valued team, ECC implemented an employee retention plan denominated in ZEC.

Shown below is the ECC functional department expense grouping for Q4 2024. All expenses attributed to each department are included in the percentage.

Department	2024 Q4	2024 Q3
Development	57%	52%
Growth and Regulatory	14%	17%
General and Admin	29%	31%
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 fourth quarter of 2024. In some cases, we might reference work that was since completed but in progress during this time period.

Research & development	<p>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).</p> <p>The protocol and security arguments for Crosslink 2, which is expected to support a transition of Zcash to Proof-of-Stake, were documented.</p>
Engineering	<p>Q4 2024 saw the activation of Network Upgrade 6, which extended the Development Fund for a further year.</p> <p>Zashi integration with Flexa was released, allowing ZEC to be spent at thousands of merchants in the US, Canada, and El Salvador.</p> <p>As part of support for hardware wallets and shielded multisig, we designed the PCZT (Partially Constructed Zcash Transaction) format. This enabled the release, just in time for Christmas, of the first production support for shielded Zcash in a hardware wallet. We worked closely with the Keystone developers to audit the Zcash-related code in their wallet firmware, and the wallet team pulled out all the stops to ensure that this functionality worked seamlessly with Zashi.</p> <p>Other new features in our libraries and the Zashi wallet included: note management to improve receive-to-spend latency; address book encryption; support for ZIP 321 payment requests; Spanish localization in Zashi; and a redesign of the Zashi UI. A subtle note commitment tree corruption bug was fixed.</p> <p>The candidate ZIPs for Network Upgrade 7 were published, and a cryptographic issue with ZSAs was resolved.</p> <p>We collaborated with the developers of the Brave browser on their integration of a Zcash wallet with Orchard and transparent support, which would be released in April 2025.</p>

**U.S. Policy/
Global Regulatory
Relations**

Paul Brigner (Bootstrap Board Member) organized and hosted the [DC Privacy Summit](#) which was held in October, including Josh Swihart as a speaker. We continued to engage with the Blockchain Association.

**Comms, user
adoption, and
education**

In October, ECC published an updated roadmap detailing development priorities for Zashi and the Zcash protocol. It reaffirmed ECC's focus on improving shielded ZEC usability, expanding Zashi integrations, and supporting governance decentralization in alignment with community direction. [More here.](#)

Following the NU6 network upgrade and halvening in November, ECC and ZF formally stepped away from protocol-level funding. This marked a significant milestone in the evolution of Zcash governance and decentralization. [Read more.](#)

Multiple Zashi release announcements were published across multiple platforms, with the [Keystone](#) hardware wallet integration and [Flexa](#) integration campaigns standing out as the key highlights of the quarter.

**Hiring and
promotions**

In Q4 2024, we did not hire any new employees

HR

In Q4 2024, we laid the groundwork for another successful Z|ECC Summit in Cancun, Mexico in early January 2025.



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