

# Investor Presentation

BTCS Inc. (Nasdaq: BTCS)

September 2024



[www.btcs.com](http://www.btcs.com)  
[www.btcs.com/builder](http://www.btcs.com/builder)  
[www.chainq.com](http://www.chainq.com)  
[www.stakeseeker.com](http://www.stakeseeker.com)

# Safe Harbor

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The following presentation contains statements, estimates, forecasts, and projections regarding future performance and events, which constitute forward-looking statements. Those statements include statements regarding the intent and belief or current expectations of BTCS and its management team regarding our blockchain infrastructure operations business, growth of our scalable business, predictability of our revenue and earnings stream from our operations, planned continued expansions including for ChainQ, market and growth opportunities for StakeSeeker our staking-as-a-service platform ("SaaS"), and Builder+ our block builder, Builder+ revenue opportunities, plans regarding securing other proof of stake blockchains, and the potential opportunity of scalable revenue and business growth with limited additional costs. These statements may be identified by the use of words like "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "will," "should," and "seek," and similar expressions and include any financial projections or estimates or pro forma financial information set forth herein. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties and that actual results may differ materially from those projected in the forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, without limitation, regulatory issues, the rewards and costs associated with validating transactions on proof-of-stake blockchains, unexpected issues with our product offerings, the reluctance of users to use our products, a significant decrease in the value of our crypto asset holdings, and our rewards while locked up, loss or theft of the private withdrawal keys resulting in the complete loss of our crypto assets and reward, as well as those risks detailed in our filings with the SEC, including our Form 10-K filed with the SEC on March 31, 2023. The increasing risk of legislation or regulation arising from custodial platforms that may help protect investors presents many unknowns to our business and may increase costs. Neither BTCS nor any of its affiliates undertake any obligation to update any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

Summaries of documents contained herein and in our filings with the SEC may not be complete and are qualified in their entirety by reference to the complete text of such documents. In making an investment decision, you must rely on your own examination of these documents and such additional due diligence as you deem appropriate. We have not authorized any other person to provide you with information that is different from the information contained in our filings with the SEC. If anyone provides you with different or inconsistent information, you should not rely on it.

Our filings with the SEC are available to the public on, and may be reviewed at, the SEC's website ([www.sec.gov](http://www.sec.gov)) and on BTCS's website ([www.btcs.com](http://www.btcs.com)). The content on our website is not incorporated into this presentation.

## BTCS Business Model

Driving **scalable revenue growth** through a diverse range of business lines leveraging and built on top of our core and proven blockchain infrastructure operations.



AI Powered Blockchain Analytics



Ethereum Block Building



Cryptocurrency Dashboard and  
Non-Custodial Staking-as-a-Service



### Blockchain Infrastructure

Blockchain Infrastructure, our core foundation, has a **predictable revenue stream and earnings** potential.

# BTCS Value Proposition

Our strategy focuses on driving **scalable growth** of our staking-as-a-service and Ethereum block building operations. Leveraging our expanding blockchain infrastructure and industry experience, we are able to operate and develop cutting edge solutions for rapidly advancing blockchain technologies.



High growth and scalable business model



Nasdaq listed



Dedicated team with deep industry and capital markets experience



Low public float, Debt Free  
32% Insider Ownership\*

## Financial Highlights

	FY 2023	H1 2024*
Total Assets	\$ 27.1 million	\$ 33.0 million
Crypto Assets	17 tokens held (71% ETH)	17 tokens held (82% ETH)
Revenue	\$ 1,340,000	\$ 1,013,000
Gross Margin	73%	67%
Net Income	\$7,819,000 (\$0.55 per share)	\$5,529,000 (\$0.35 per share)

\* As of and for the six months ended June 30, 2024

# Blockchain – Crypto Exposure Options

BTCS offers investors the opportunity to gain **exposure to crypto markets** with a focus on **next-generation blockchains** powering Web 3 and the growth of NFTs, DeFi, and the Metaverse.



## 1. Direct Crypto Ownership



## 2. VC & Private Investments



## 3. Public Companies



### 1<sup>st</sup> Generation Blockchains

- Digital Currency (e.g. Bitcoin) serves as digital store of value
- Proof-of-Work ("PoW") Mining

#### Proof of work

- Capital Intensive Hardware with no Residual Value
- High Energy Consumption
- Increasingly Centralized

**11 ETFs (Bitcoin)** **39+ Options**

OTC

**25+ Options**

#### Focus

#### Overview

#### Business Model

#### Investment Options



### Next-Generation Blockchains

- Infrastructure powering
- Web 3, NFTs, DeFi, and the Metaverse
- Proof-of-Stake Staking

#### Proof of Stake

- Highly Scalable, Hardware-Lite
- Higher Transaction Throughput
- Environmentally Friendly (ESG)
- More Decentralized

**4 Options**

**2 Options** (Primarily an exchange)

The above data was prepared by BTCS and reflects solely the opinion of BTCS and its management. While we believe the information to be accurate, there may be more exposure options available, and business models may change.



# Blockchain Infrastructure

# BTCS Core Infrastructure



## PROOF-OF-STAKE

BTCS secures disruptive next-generation Proof-of-Stake blockchains that power **DeFi, NFT, and Metaverse ecosystems.**



## OPERATIONS

BTCS operates and maintains **validator nodes** 24/7 on various networks.



## REVENUE

BTCS **earns revenue** by staking our crypto assets, securing blockchain networks, and participating in network consensus mechanisms by validating transactions.



# Blockchain Networks Secured by BTCS

Our current **blockchain infrastructure** operations are comprised of the networks described below. Our expansion strategy involves the evaluation of **high-utility blockchains** that can be supported on the **StakeSeeker** platform.

## BTCS Blockchains Networks



### ETHEREUM

Leading smart contract layer-one decentralized platform.



### COSMOS

"The internet of blockchains" ecosystem for interoperability.



### SOLANA

High speed network for dApp development and scalability.



### AVALANCHE

Fast, low cost open-source platform for dApps.



### POLKADOT

Enables multiple networks to operate together seamlessly.



### AXIE INFINITY

NFT based online gaming.



### POLYGON

Building and connecting Ethereum - compatible blockchain networks.



### AKASH

Decentralized cloud computing marketplace.



### KUSAMA

Scalable network for early stage Polkadot deployments.



### KAVA

Lightning-fast network connecting Cosmos and Ethereum.



### NEAR

Developer and user-friendly dApp platform.



### TEZOS

Self-upgradable, security-focused, and energy-efficient.



### OASIS

Privacy-enabled scalable blockchain network for DeFi.



### MINA

Extremely lightweight blockchain.



### EV MOS

Interoperable blockchain for cross-chain dApp development.

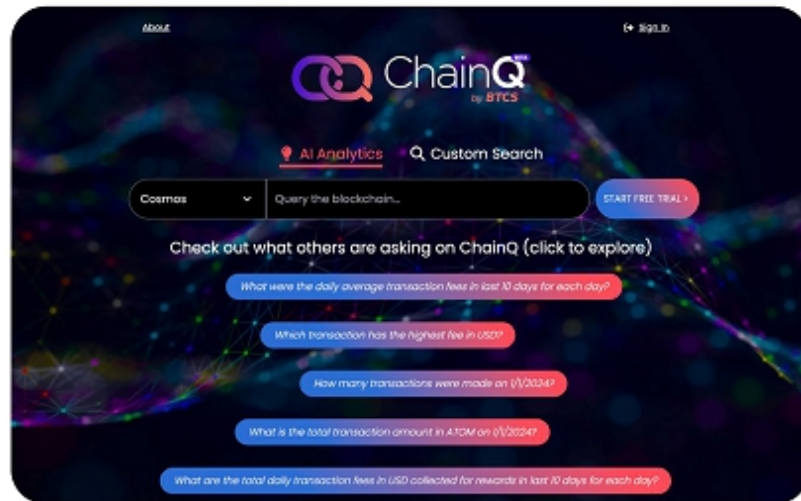
For more details on each respective blockchain, visit our website at [www.btcs.com](http://www.btcs.com)



# ChainQ

<https://chainq.com/>

ChainQ provides a simple way for crypto holders to access otherwise hard-to-obtain blockchain data, similar to Bloomberg for financial research or Westlaw for legal research. ChainQ utilizes cutting-edge generative AI and advanced customized search functionalities and provides efficient querying of indexed on-chain data.



### What is ChainQ?

- ChainQ is an **AI driven** blockchain analytics platform designed to revolutionize the exploration of blockchain data.
- Through comprehensive **indexing** of public blockchain data, ChainQ provides a straightforward method for users to query and analyze on-chain blockchain data.
- With its **intuitive interface** and powerful features, including a simple UI, personalized search functionality, and insightful visualizations, ChainQ empowers users to explore, organize and understand blockchain data.

*ChainQ is currently available in **beta** with support for the **Cosmos (ATOM)** blockchain network. Additional blockchain network integrations are planned for the future based on market opportunity.*

# Why is BTCS Launching ChainQ?

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ChainQ leverages indexed data from BTCS's **blockchain infrastructure operations** to provide access to otherwise **hard-to-access** blockchain data which would not be accessible via Google searches or ChatGPT.



**Highly Scalable**

ChainQ offers the potential for a highly scalable software-as-a-service platform.



**Large and Growing Addressable Market**

Targeting an addressable market of 580 million global crypto users which grew by 34% in 2023.\*



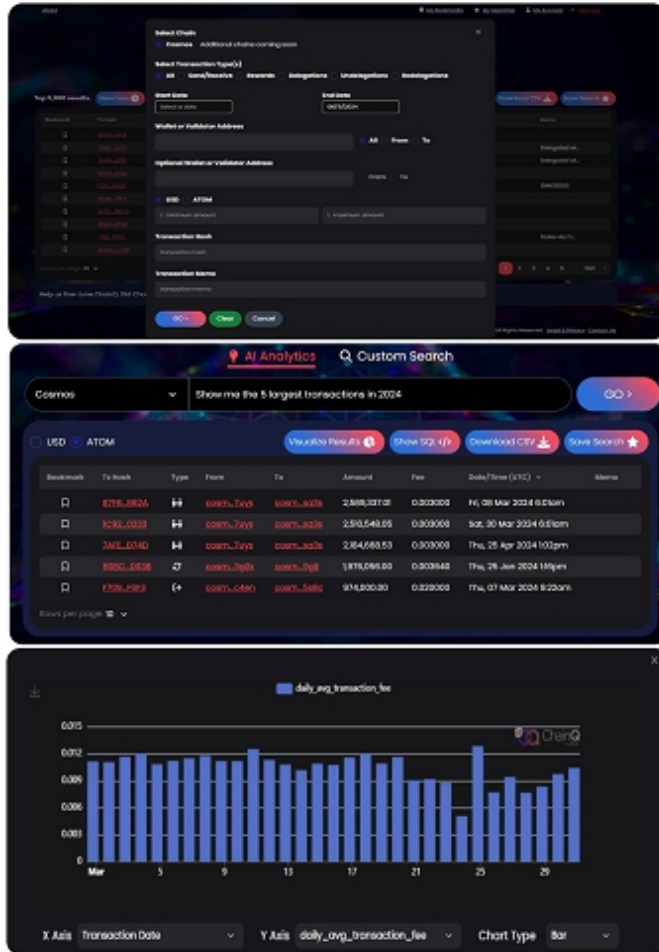
**Limited AI Based Competition**

Traditional blockchain explorers offer cumbersome navigation, while ChainQ leverages powerful AI and a simple graphical user interface (GUI).

\* Crypto.com January 22, 2024 annual Crypto Market Sizing Report.

The views expressed herein reflect solely the opinion of BTCS and its management.

# Featured Highlights



## AI-Powered Queries

The user-friendly search bar enables users to ask questions in natural language.



## Advanced Customized Searching

The advanced customized search feature goes beyond typical blockchain explorers. By specifying criteria such as date ranges, transaction wallets, transaction amounts, and more. Users can conduct precise searches tailored to their research needs.



## Intuitive Visualizations

Display query results in intuitive charts and graphs.



## Saved Searches

Saved searches give users quick access to previous queries.



## Export Results

Export data in CSV and PNG formats.

The logo for Builder+, consisting of a stylized icon of two overlapping squares with a plus sign inside, rendered in a gradient of purple, pink, and orange.

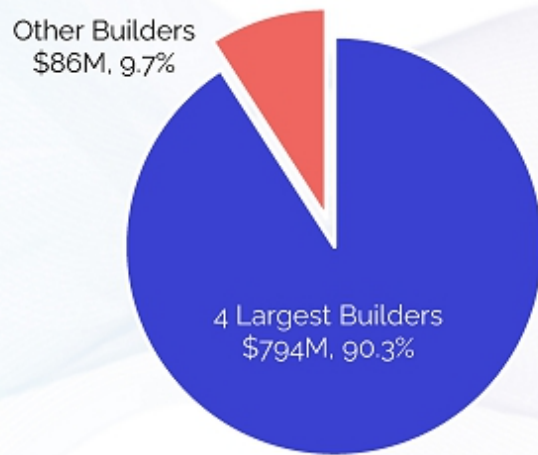
# Builder+

[www.btcs.com/builder](http://www.btcs.com/builder)

# Market Opportunity - Ethereum Block Builders

The Ethereum block-building market represents a critical component of validator reward distribution. The current builder market is dominated by a **small number of network participants**.

**Market Concentration<sup>(1)</sup>**



Current builder market ripe for a new **compliant** entrant to gain market share.

**Market poised for growth primarily through:**

- 1) Price appreciation
- 2) Increasing transactions on the network (utility)

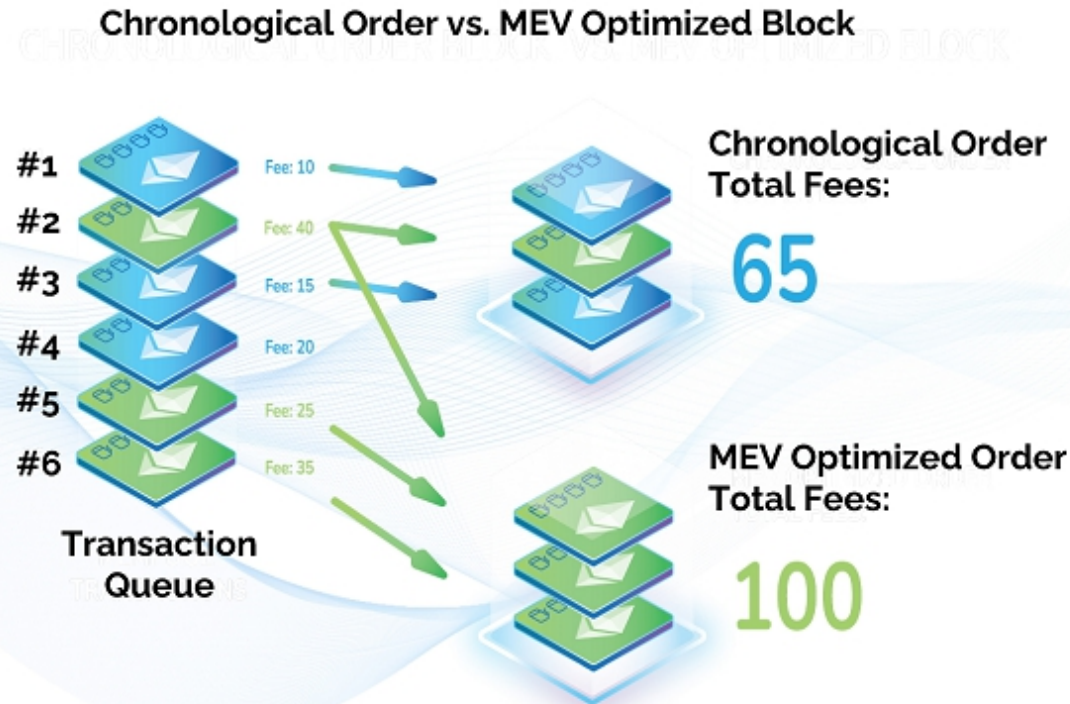
**Estimated Annual MEV Payments Distributed to All Validators | \$880 m<sup>(2)</sup>**

**Total Ethereum blocks built using a builder | 92%<sup>(3)</sup>**

This slide reflects solely the opinion of BTCS and its management. The illustrative chart represents the distribution of market share of Ethereum block builders. Sources: (1) Rated.network ranging from 12/18/2023 - 1/18/2024. (2) Mevboost.pics ranging from 12/1/2022-12/1/2023 using a \$3,300 ETH price. (3) Mevboost.pic 12/18/2023

## What is Builder+?

- Builder+ is our newly developed Ethereum block builder, which utilizes advanced algorithms to meticulously construct optimized blocks for on-chain validation designed to maximize revenue (MEV).
- Builders monitor the Ethereum transaction queue (mempool) for pending transactions and reorder them strategically to create an "optimized block" that contains transactions with the highest fees.
- Builders pay a fee to purchase rights to block space from a validator and earn the transaction fees associated with the transactions in the selected block.



## How builders add value to Ethereum's blockchain



### **Increase Validator Incentives**

Builders boost validator incentives by simplifying the process of capturing MEV rewards associated with proposed blocks, making participation in the network more lucrative and competitive.



### **Enhances Decentralization**

Builders promote decentralization by reducing the technical barriers for validators to maximize rewards, ensuring a broader and more diverse set of participants in the network, and reducing risks of censorship by separating the builder and proposer roles.



### **Improves Network Capabilities**

Builders enhance the network's efficiency by optimizing block construction and transaction order, which may result in increased transaction throughput, alleviated network congestion, and improved overall performance.



### **Promotes Innovation**

Builders are poised to foster innovation within the Ethereum ecosystem by expanding the MEV marketplace and streamlining MEV strategies. This empowers developers to focus on creating value-added applications and services, cultivating a culture of innovation throughout the network.



## Why BTCS Launched Builder+



**Harness MEV  
Revenue**



**Empower  
Validators**



**OFAC  
Compliance**



**Fuel Ethereum's  
Growth**



**Highly  
Scalable**

By operating our own builder with Builder+, we bolsters our Ethereum blockchain infrastructure strategy by diversifying operations, reducing reliance on third-parties, and ensuring compliance.

Builder+ is poised to unlock scalable revenue opportunities by positioning itself strategically to capture market share.



[www.stakeseeker.com](http://www.stakeseeker.com)

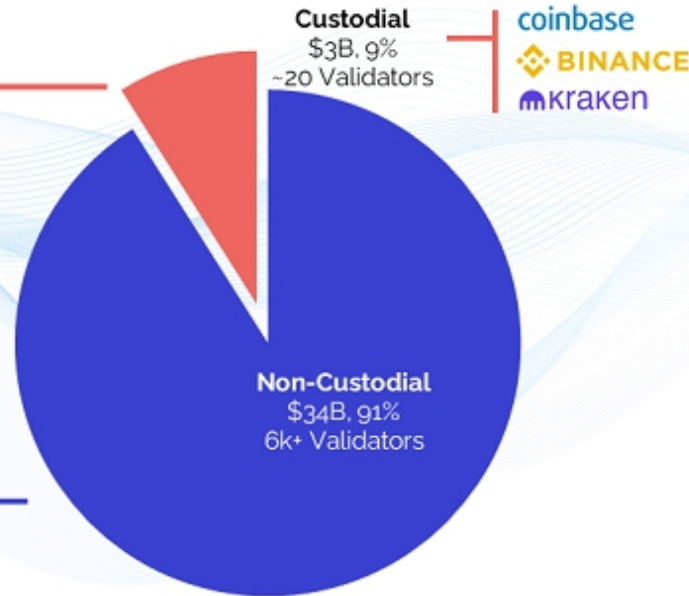
# SaaS Market Opportunity – Fragmented Competition

BTCS expects the Staking-as-a-Service market opportunity to **grow with blockchain network adoption**. We anticipate the market participant structure for the subset of blockchains depicted below to be representative of the much larger PoS market.

**Total Staked Value**  
10 BTCS Secured Blockchains (excluding ETH\*)

Larger, more well-known organizations like **Coinbase** and **Binance** compete as **custodial** staking options (i.e. on exchanges), which represents a small proportion of the overall staking market.

StakeSeeker provides **non-custodial** staking, targeting a more significant and fragmented market opportunity.



\*The illustrative chart represents data from the top 10 PoS blockchains currently secured by BTCS, excluding ETH, AVAX, and AXS, as of September 28, 2022. This slide reflects solely the opinion of BTCS and its management.

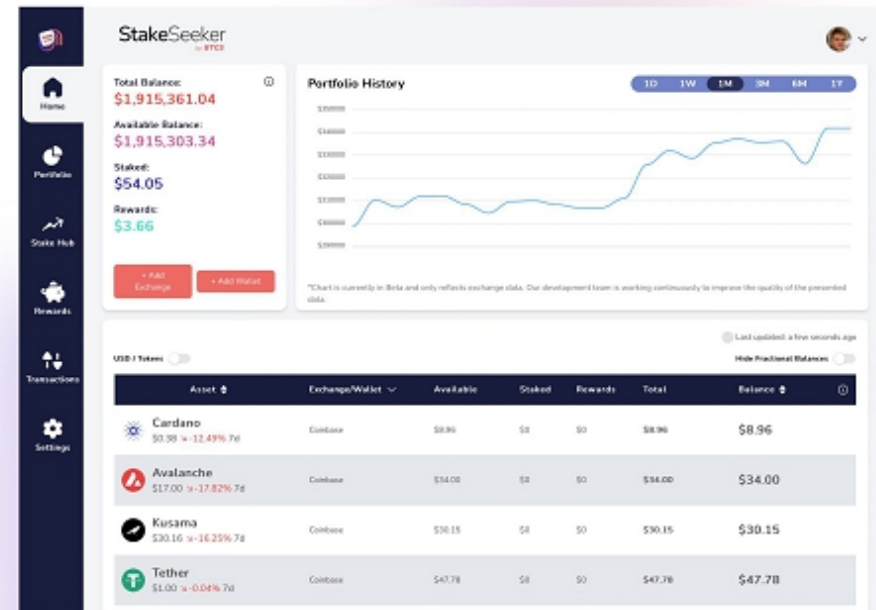
# Scalable Business Model

## Staking-as-a-Service

- BTCS validator nodes (branded under "StakeSeeker") enable us to provide **non-custodial** staking-as-a-service on various networks.
- As the node operator, we receive a percentage of staking rewards (e.g. a **validator fee**) earned on delegated assets to our nodes from token holders.
- **Revenue increases** with the amount of delegated assets, with limited additional costs.\*

## StakeSeeker Platform

- StakeSeeker enables users evaluate their crypto portfolios across exchanges and wallets in a single analytics platform.
- StakeSeeker also allows Delegators to track their staking activities and rewards.



\* Actual increases depend on the fees set by our nodes.

# Comparison to a More Widely Known Business Model

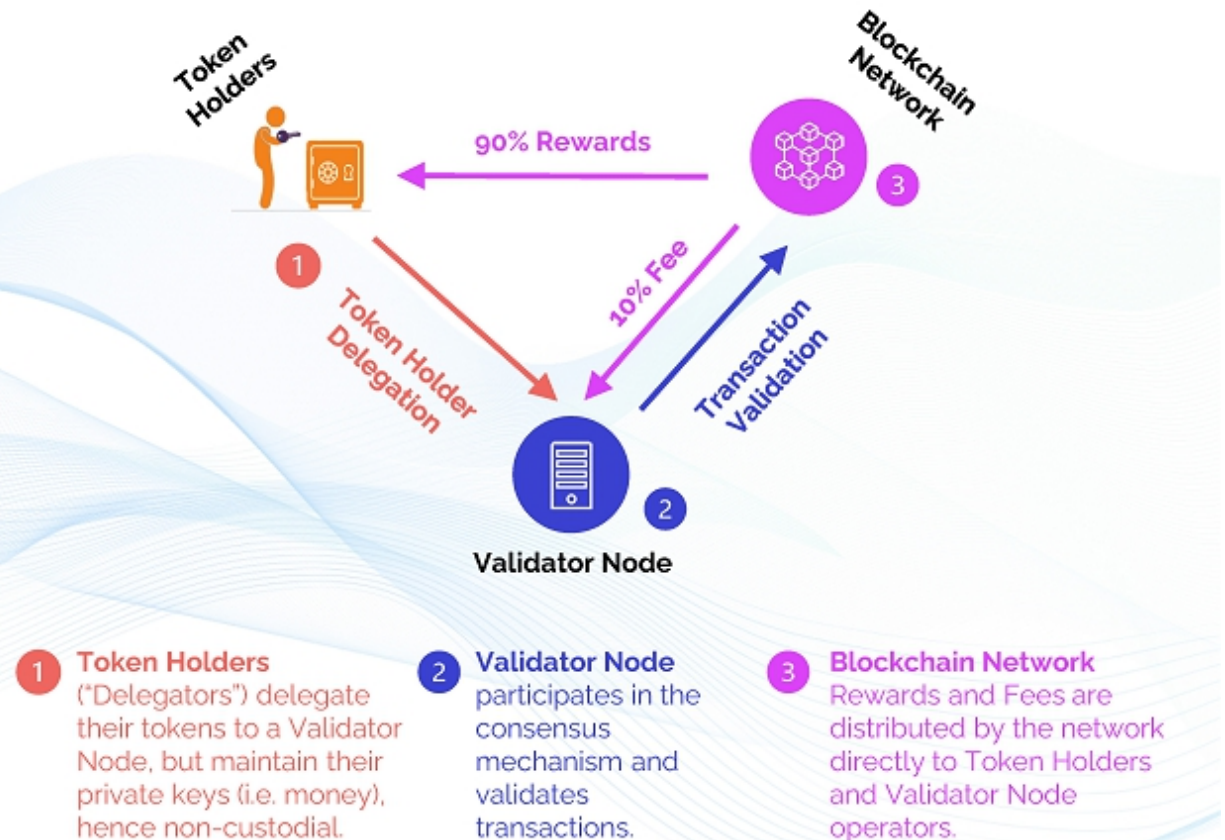


For illustrative purposes only. Airbnb and validator node operations are significantly different in many respects. Fees charged by Airbnb and validator node operators vary and are subject to change.

# Delegated Proof-of-Stake Blockchain Mechanics\*

## What is Staking?

- Staking cryptocurrencies involves supporting the **consensus mechanism** of a Proof-of-Stake blockchain. The process involves committing crypto assets to support and validate transactions on a blockchain network, **earning rewards** for successful verification of transactions.
- Delegator's tokens are locked in network-based **smart contracts** ("Staked") with validator nodes as an incentive to ensure transaction validation adheres to the rules of the blockchain network.
- Rewards are typically earned based on the number of tokens delegated to a node selected to **validate transactions** on a blockchain.



\*For illustrative purposes only, actual fees may differ based on blockchain and competition.

StakeSeeker is BTCS's proprietary **cryptocurrency dashboard**, offering users a consolidated view of their crypto portfolio across various exchanges and wallets. It also provides innovative **portfolio analytics**.



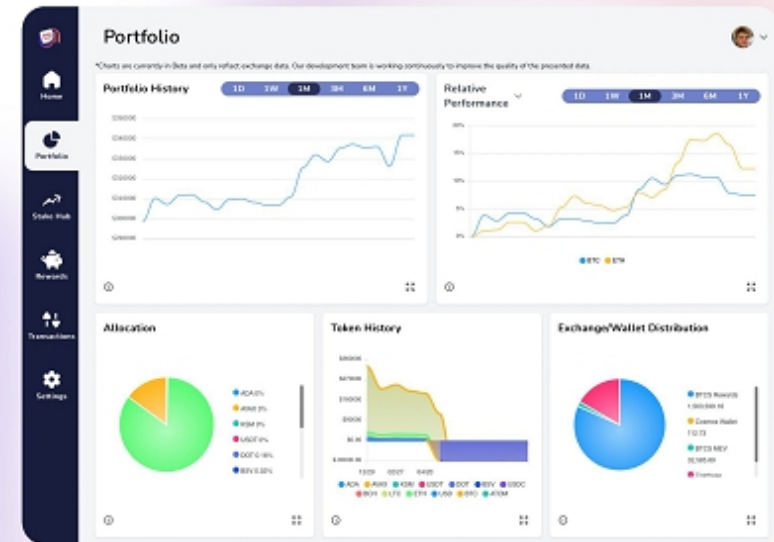
Link exchanges and wallets where your crypto is held to evaluate and monitor your consolidated crypto portfolio in a central dashboard.



Analyze your crypto performance with a suite of data analytic and reporting tools, including trading history and rewards tracking.



Learn to delegate your crypto to StakeSeeker validators to participate in network consensus and earn rewards.



## Key Service Providers



Transfer Agent



Legal Counsel



Auditor

## Contact Us



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[www.btcs.com](http://www.btcs.com)



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[www.facebook.com/pg/NasdaqBTCS/posts/](https://www.facebook.com/pg/NasdaqBTCS/posts/)



[www.youtube.com/c/BTCSInc](https://www.youtube.com/c/BTCSInc)



Discord: <https://discord.gg/gvW5HkWBJG>



# Appendix

# Management & Board

## Management



**Charles Allen**  
Chief Executive  
Officer &  
Chairman of the  
Board



**Michal  
Handerhan**  
Chief Operating  
Officer &  
Director



**Michael  
Prevoznik**  
Chief Financial  
Officer



**Manish  
Paranjape**  
Chief Technology  
Officer

## Independent Directors



**Charlie Lee**  
Director



**Melanie Pump**  
Director



**Ashley DeSimone**  
Director

## Core Values



Integrity



Teamwork



Trust



Fairness



Accountability



Diversity  
and Inclusion

For full biographies of our Management team and Board of Directors, visit our website at [www.btcs.com](http://www.btcs.com).

# Blockchains Explained

A blockchain ledger is a **distributed ledger** maintained by a network of computer nodes that verify and validate transactions.

## Traditional vs. Blockchain Systems

Distributed ledgers allow for ownership of assets to be recorded through a **publicly shared registry**, eliminating the need for **central authorities** to certify ownership and clear transactions.



Trust/consensus entrusted to **third-party intermediaries** (such as banks).



Trust / consensus is built into the Blockchain network and **secured by cryptography**.

## How Blockchains Work



Transaction (payment, contract, record etc.) is broadcasted to **peer-to-peer network** of computers, also referred to as nodes or validators.



The network of validators uses a consensus algorithm to **validate the transaction**.



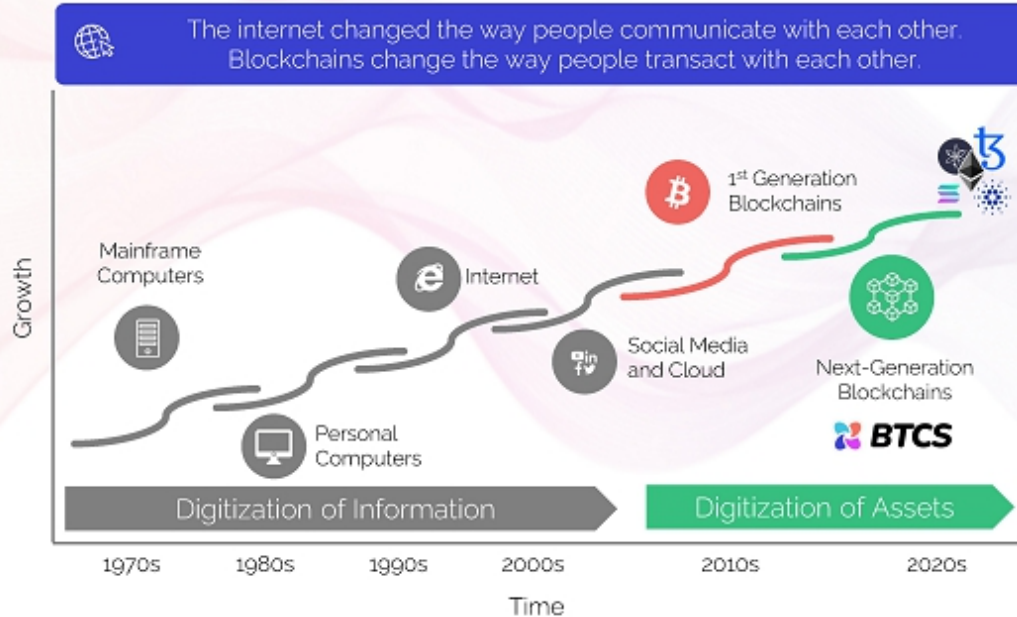
Once validated, the transaction is combined with other transactions to create a new **block** of data to be added to the ledger.



The new block is permanently added to the existing and **unalterable blockchain ledger**.

# Blockchains Ushering in a New Era of Technology

The computer and internet age ushered in the **digitization** and **proliferation of information** on a global scale. Blockchains are ushering in an age of **asset digitization** and **transfer** without the need for trusted intermediaries (banks, exchanges, etc.)



## Next-Generation Blockchains

- Proof-of-Stake ("PoS") consensus
- ESG friendly
- Infrastructure powering:
  - Web 3 – Next evolution of internet
  - DeFi – Decentralized finance
  - NFTs – Smart contracts/non fungible/unique tokens
  - Metaverse – Virtual extension of world



\*The above data was prepared by BTCS and reflects solely the opinion of BTCS and its management.

# Next-Generation PoS Opportunity & Relative Comparison

Web 3 and transaction-based industries built on next-generation blockchain technologies represent a **multi-trillion market opportunity**.

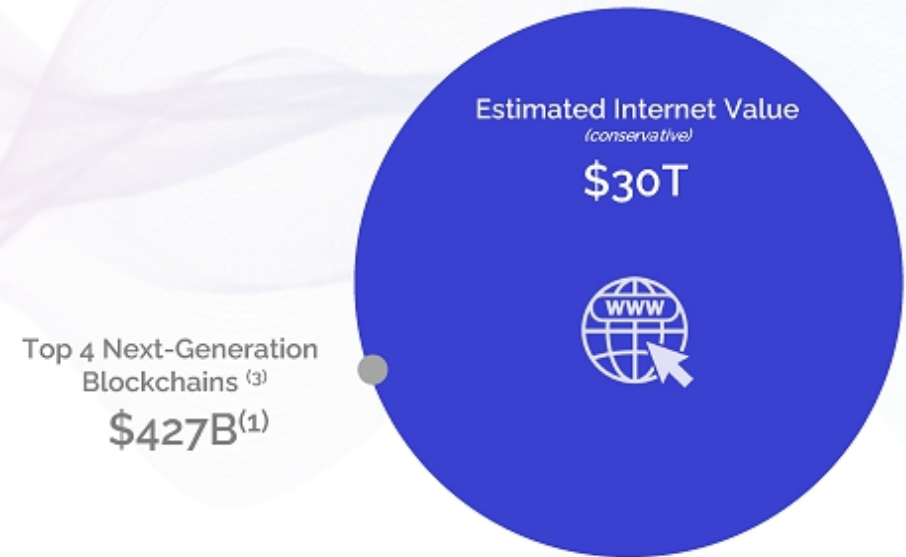
## 1<sup>st</sup> Generation Blockchains

Bitcoin and gold are **storerers of value**.



## Next-Generation PoS Blockchains

The internet's future can be transformed by next-generation blockchains that serve as the backbone of crypto assets and ownership in **Web 3**.



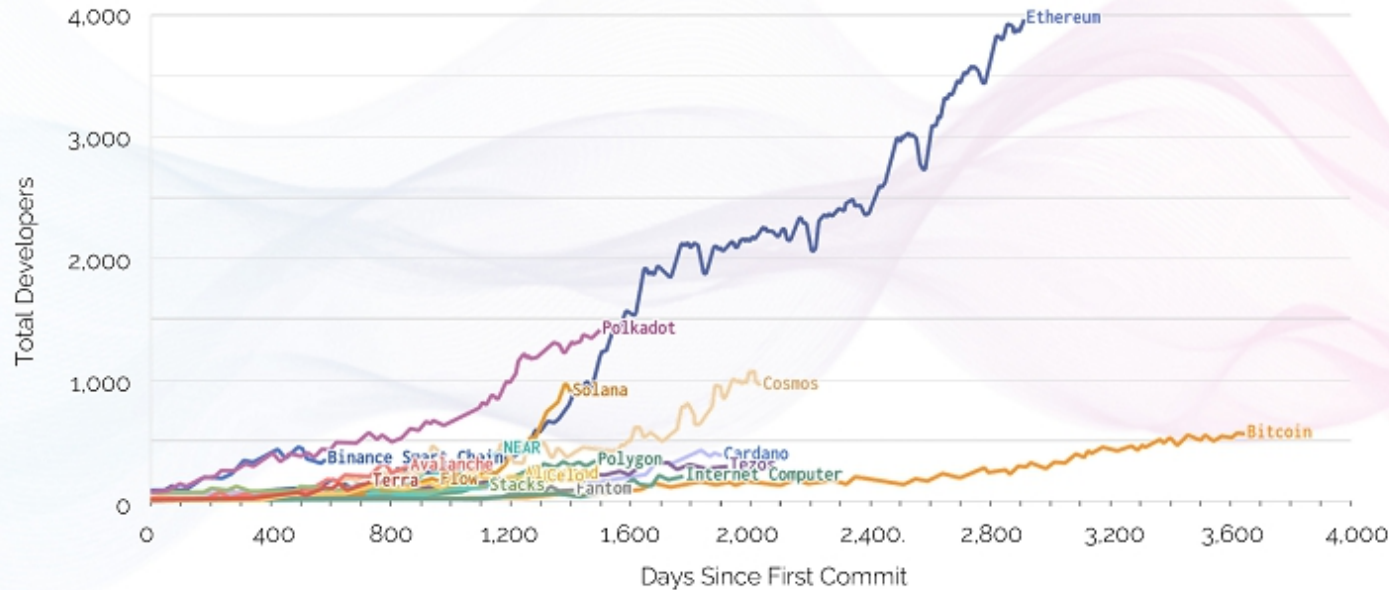
Sources: (1) CoinMarketCap.com as of 6/30/2024. (2) world gold reserves according to World Gold Council (End-2023). (3) Includes Ethereum, Cardano, Polygon and Polkadot. The above was prepared by BTCS and reflects solely the opinion of BTCS and its management.



# Active Development Leading Indicator of Future Value\*

The **significant increase** in both total developers and code commits on the Ethereum blockchain indicates its dominance and value proposition.

### Monthly Active Developers Since Launch



A **Commit** is an update to the code of a blockchain that is pushed to GitHub a public code repository. It's an indication of the level of software development.

**Days Since First Commit** is representative of when a blockchain was launched.

Source: Electric Capital, Developer Report, January-December 2021.  
\*Statements reflect solely the opinion of BTCS and its management. Active development may not lead to future value.

# Ethereum vs Bitcoin Performance



Key characteristics		
	ETH-USD	BTC-USD
YTD Return	56.28%	56.61%
1Y Return	107.70%	151.41%
3Y Return (Ann)	14.62%	20.01%
5Y Return (Ann)	67.02%	47.96%
Sharpe Ratio	3.46	4.72
Daily Std Dev	44.88%	39.49%
Max Drawdown	-93.96%	-93.07%
Current Drawdown	-25.90%	-9.43%

Source: Portfolios Labs as of June 18, 2024  
 \*Statements reflect solely the opinion of BTCS and its management. Active development may not lead to future value.

# Importance of Custody in Today's Environment

It is more crucial than ever to **educate** the public on the importance of taking control of their crypto assets through self-custody. Non-custodial staking offers a **secure and rewarding** solution for managing and growing your crypto assets with full control of your private keys.



## Safeguarding

The safeguarding of customer funds continues to be a hot topic in the news. In light of the recent collapses of crypto lending platforms and exchanges, including FTX, the phrase "**Not your keys, not your crypto**", has been more widely circulated. This phrase refers to the inherent risk of keeping crypto on exchanges that hold the private keys to your crypto assets.



## Self-Custody

Non-custodial staking encourages holders of crypto to maintain control of their assets by moving them off-exchange and into more **secure digital wallets**, where crypto holders can control the security of their private keys instead of trusting unregulated third-parties.



## Non-Custodial Staking

Staking from digital wallets enables you to participate in blockchain networks through delegation, creating the possibility to grow your holdings through staking rewards. This is considered **non-custodial staking**, as you retain control of your private keys during the delegation and staking process.



# Differentiating Non-Custodial Staking Model

Staking with BTCS's **StakeSeeker** nodes is **non-custodial**, which differs from staking and earn programs offered by centralized crypto exchanges that have faced recent regulatory scrutiny.



## Custodial Staking

- Crypto exchanges create wallets for **accounts** set up **on exchange**
- Custodian has control over crypto assets (i.e. private keys) held in customer exchange accounts
- Users do not maintain or control private keys
- "Staked" assets are **pooled with others** by custodian
- Actions of exchanges as the **controller of customer assets and pool operator** result in the expectation of profits from their efforts
- **Exchanges** determine and have the ability to change the annual percentage return ("APR") and frequency of **reward distribution**
- Typically, higher transaction fees

vs.



## Non-Custodial Staking

- Crypto holders purchase tokens on exchanges and transfer **off-exchange** to **digital wallets**
- Users maintain control of private keys and direct staking activities from their wallets
- Users control safeguarding of their assets
- Validators do not take control of assets, so assets are not pooled with the validator
- Operation of validator nodes is **ministerial in nature** and does not result in an expectation of profits by the efforts of others
- **Each blockchain** determines the reward frequency, unbonding periods, as well as APR and **distributes rewards directly** to the delegator
- Lower transaction fees

coinbase

kraken

BINANCE

 StakeSeeker  
by BTCS