Investor Presentation

BTCS Inc. (Nasdaq: BTCS)

July 2024

www.btcs.com
www.btcs.com/builder
www.chainq.com
www.stakeseeker.com

Safe Harbor

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) and on BTCS's website (www.btcs.com). The content on our website is not incorporated into this presentation.

BTCS Business Model

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

ChainQ

AI Powered Blockchain Analytics

Builder+

Ethereum Block Building

StakeSeeker

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	Q1 2024
	Total Assets	$ 27.1 million	$ 39.5 million
	Revenue	$ 1,340,000	$ 386,000
	Gross Margin	73%	75%
	Crypto Assets	17 tokens held (71% ETH)	17 tokens held (74% ETH)

* Insider ownership as of 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

1st 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

NYSE | **Nasdaq** | **Cboe**

11 ETFs (Bitcoin) | MARATHON DIGITAL HOLDINGS | I O T | coinbase | bakkt | HUT8

39+ Options

OTC

Sphere3D

25+ Options

3. Public Companies

| 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

Cboe

4 Options

Defi TECHNOLOGIES | WonderFi | tokens.com | ETHER CAPITAL

Nasdaq

2 Options

BTCS coinbase *(Primarily an exchange)*

BTCS Core Infrastructure

PROOF-OF-STAKE

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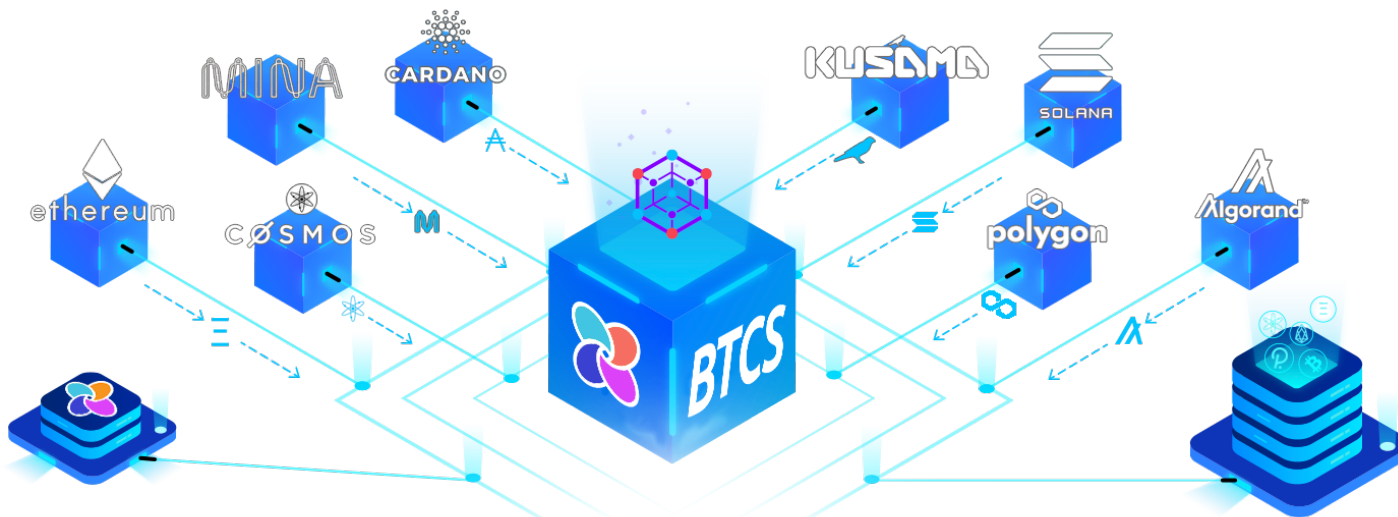
OPERATIONS

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.

EVMOS
Interoperable blockchain for cross-chain dApp development.

For more details on each respective blockchain, visit our website at www.btcs.com

BTCS

ChainQ

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.
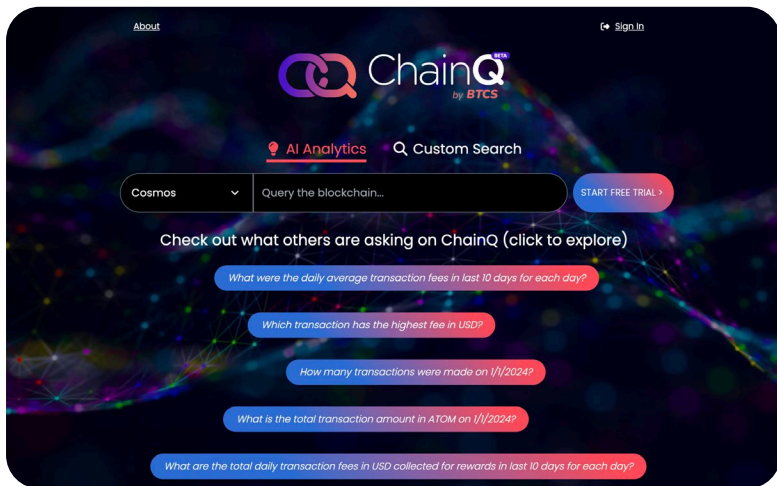
What is ChainQ?

- 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?

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.[*]
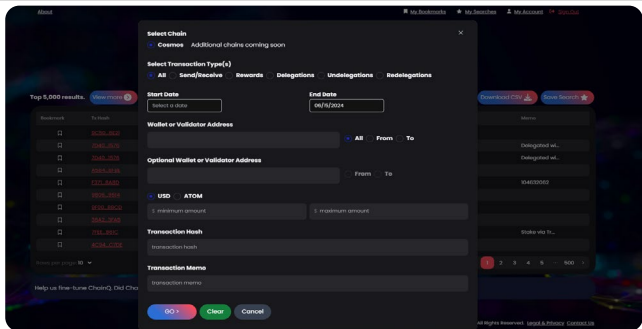
Limited AI Based Competition

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

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.
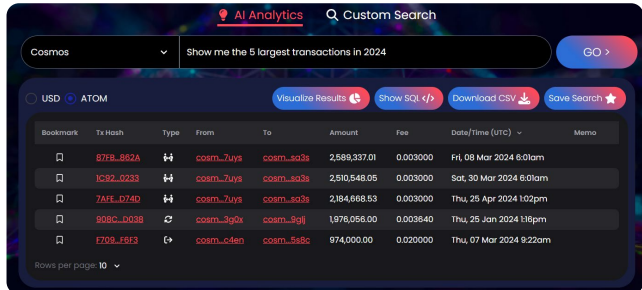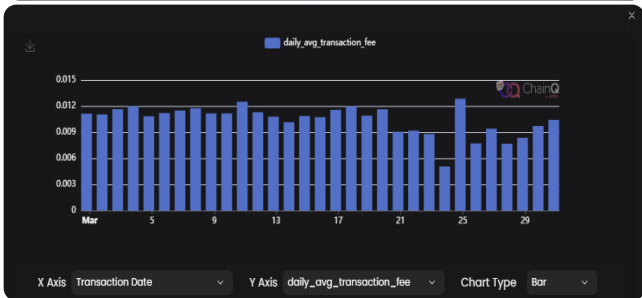
Intuitive Visualizations
Display query results in intuitive charts and graphs.

Saved Searches
Saved searches give users quick access to previous queries.

Export Results
Export data in CSV and PNG formats.

Market Opportunity - Ethereum Block Builders

BTCS

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[1]

Other Builders
$95M, 9.7%

4 Largest Builders
$873M, 90.3%
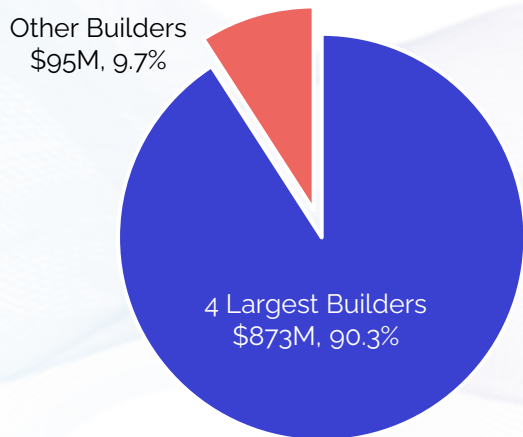
Current builder market ripe for a new **compliant** entrant to gain market share.

Market poised for growth primarily through:

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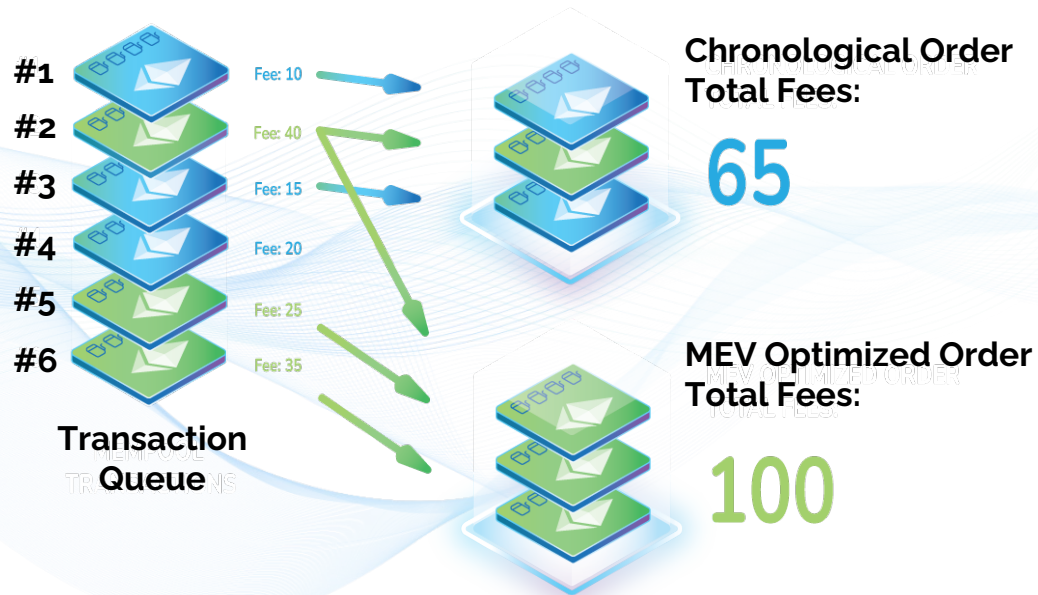
2) Increasing transactions on the network (utility)

Estimated Annual MEV Payments Distributed to All Validators | **$968 m**[2]

Total Ethereum blocks built using a builder | **92%**[3]

Builder+

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.

Chronological Order vs. MEV Optimized Block

#1   Fee: 10
#2   Fee: 40
#3   Fee: 15
#4   Fee: 20
#5   Fee: 25
#6   Fee: 35

Transaction Queue

Chronological Order Total Fees:

65

MEV Optimized Order Total Fees:

100

Builder+

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.

Builder+

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.
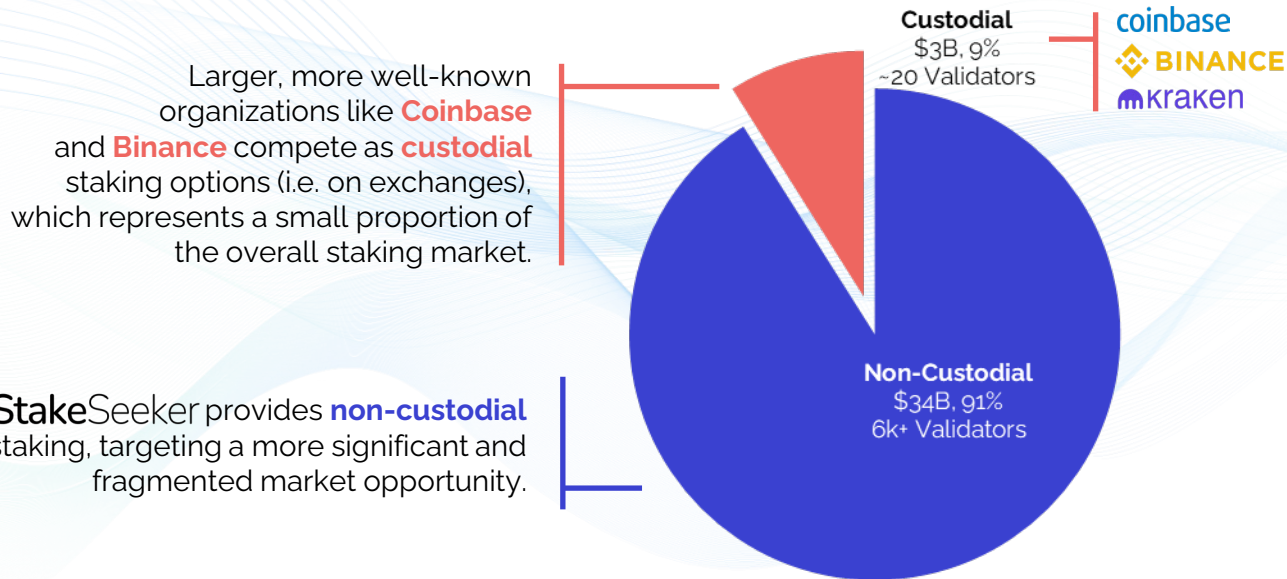
SaaS Market Opportunity – Fragmented Competition

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.

Custodial
$3B, 9%
~20 Validators

coinbase
BINANCE
kraken

Non-Custodial
$34B, 91%
6k+ Validators

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

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.*
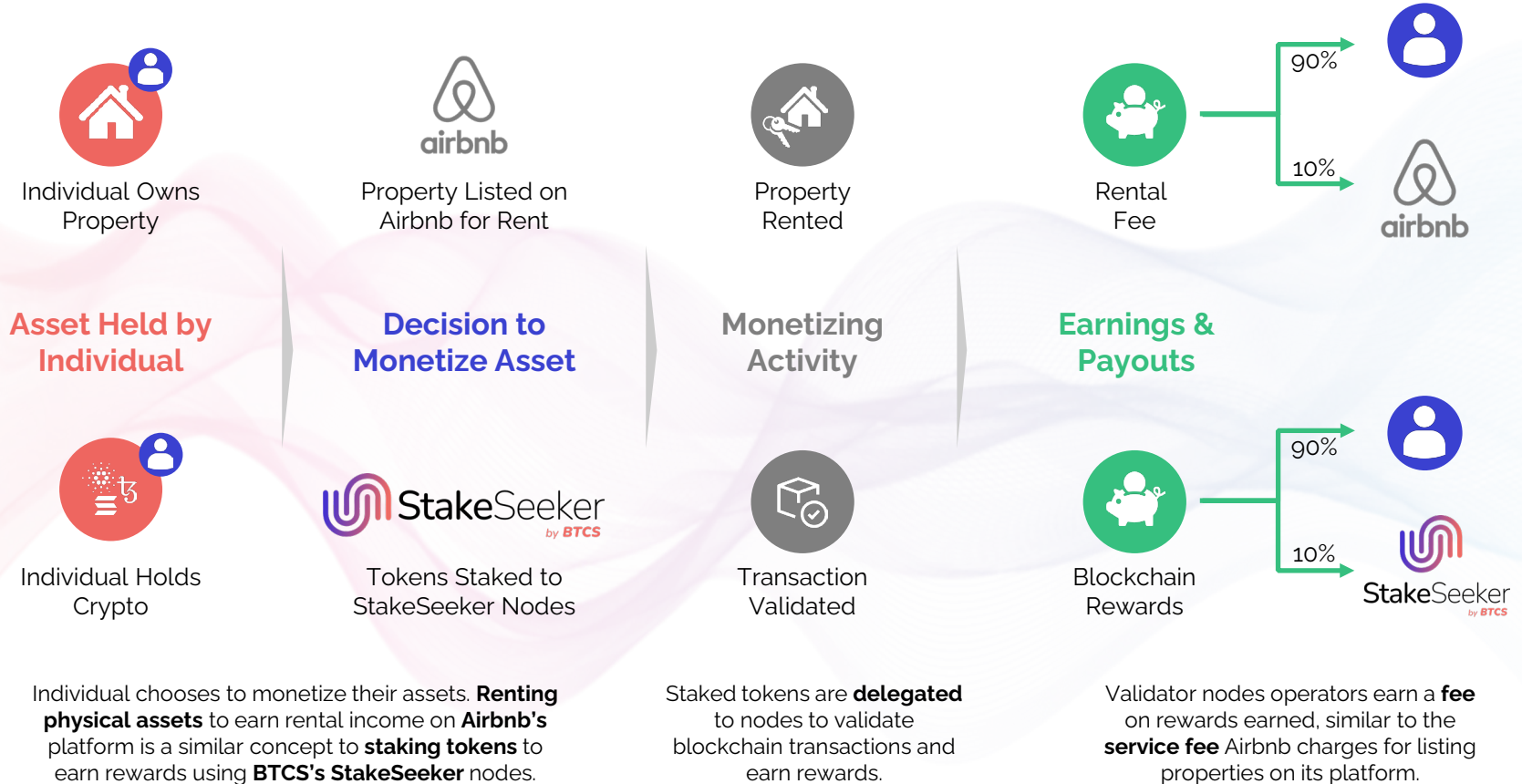
StakeSeeker Platform

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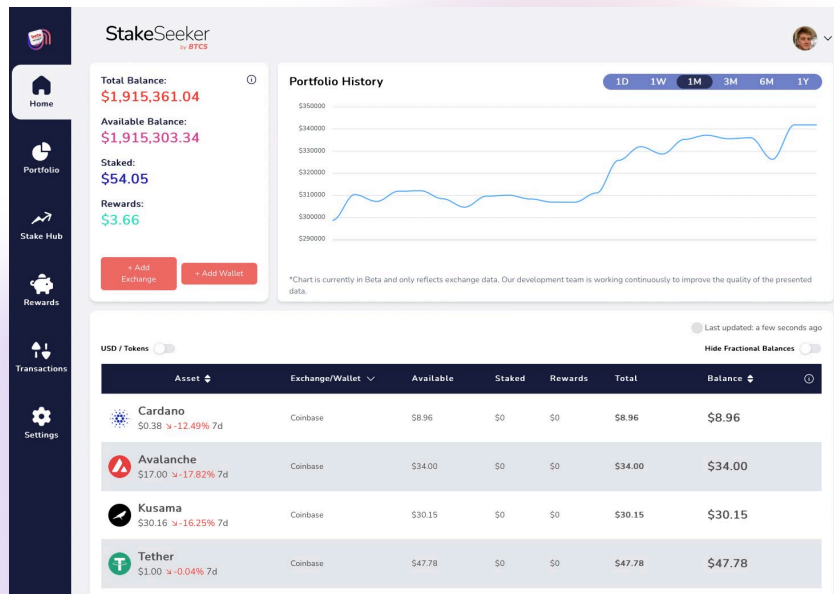
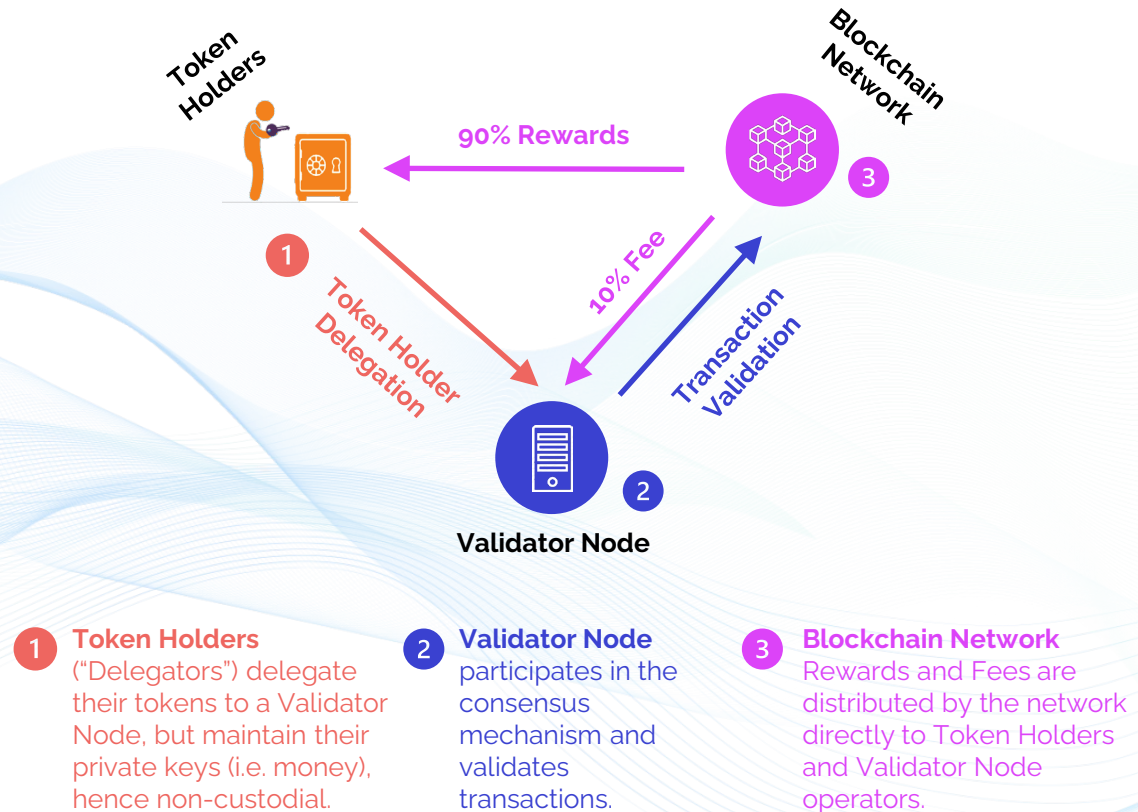* Actual increases depend on the fees set by our nodes.

Comparison to a More Widely Known Business Model

BTCS

Asset Held by Individual	Decision to Monetize Asset	Monetizing Activity	Earnings & Payouts

Individual Owns Property — airbnb — **Property Listed on Airbnb for Rent** — **Property Rented** — **Rental Fee**

90%

10%

airbnb

Individual Holds Crypto — StakeSeeker by BTCS — **Tokens Staked to StakeSeeker Nodes** — **Transaction Validated** — **Blockchain Rewards**

90%

10%

StakeSeeker by BTCS

Individual chooses to monetize their assets. **Renting physical assets** to earn rental income on **Airbnb's** platform is a similar concept to **staking tokens** to earn rewards using **BTCS's StakeSeeker** nodes.

Staked tokens are **delegated** to nodes to validate blockchain transactions and earn rewards.

Validator nodes operators earn a **fee** on rewards earned, similar to the **service fee** Airbnb charges for listing properties on its platform.

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.

Token Holders

Blockchain Network

90% Rewards

1

Token Holder Delegation

10% Fee

Transaction Validation

3

2

Validator Node

1 **Token Holders** ("Delegators") delegate their tokens to a Validator Node, but maintain their private keys (i.e. money), hence non-custodial.

2 **Validator Node** participates in the consensus mechanism and validates transactions.

3 **Blockchain Network** Rewards and Fees are distributed by the network directly to Token Holders and Validator Node operators.

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

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StakeSeeker

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.**
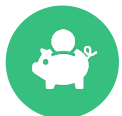
Connect

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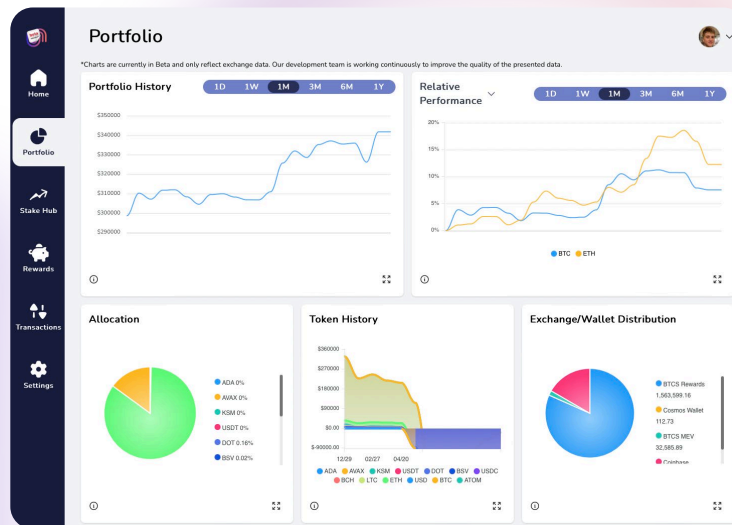
Analyze

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

Stake

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

Key Service Providers

Contact Us

Transfer Agent

Legal Counsel

Auditor

IR Ph: 202-987-8368

Email: ir@btcs.com

www.btcs.com

www.stakeseeker.com

www.btcs.com/builder

www.chainq.com

twitter.com/NasdaqBTCS

www.linkedin.com/Nasdaq-btcs

www.facebook.com/pg/NasdaqBTCS/posts/

www.youtube.com/c/BTCSInc

Discord: https://discord.gg/9vW5HkWBJG

Appendix

Management & Board

BTCS

Management

Charles Allen
Chief Executive
Officer &
Chairman of the
Board

**Michal
Handerhan**
Chief Operating
Officer &
Director

**Michael
Prevoznik**
Chief Financial
Officer
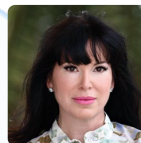
**Manish
Paranjape**
Chief Technology
Officer

Independent Directors

Charlie Lee
Director
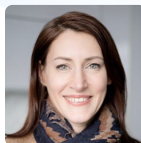
Melanie Pump
Director

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.

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.

Centralized Ledger

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

Distributed Ledger

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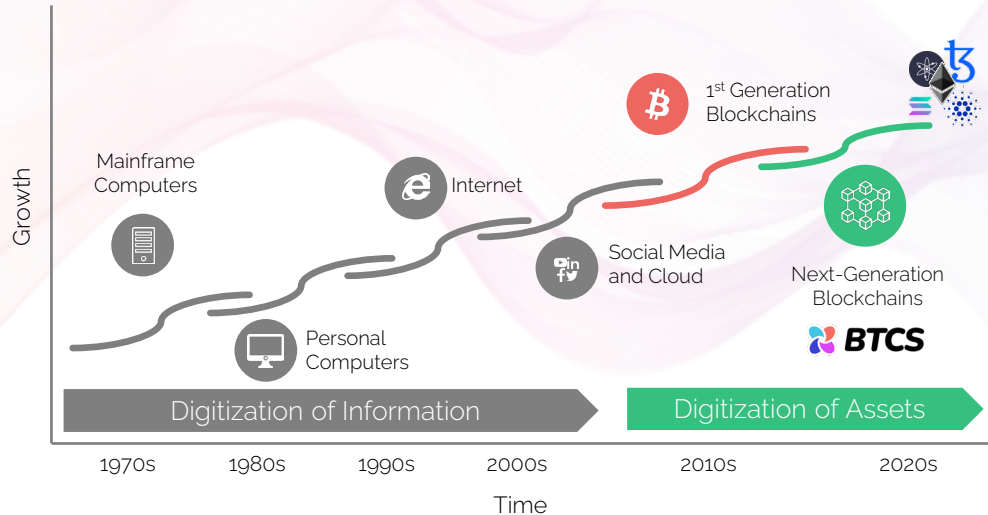
The new block is permanently added to the existing and **unalterable blockchain ledger**.

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.)
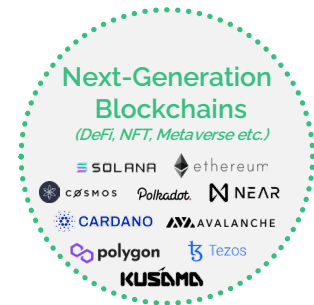
Next-Generation Blockchains

- 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 internet changed the way people communicate with each other. Blockchains change the way people transact with each other.

Mainframe Computers

Internet

1st Generation Blockchains

Personal Computers

Social Media and Cloud

Next-Generation Blockchains

BTCS

Growth

Digitization of Information

Digitization of Assets

1970s 1980s 1990s 2000s 2010s 2020s

Time

1st Generation Blockchains *(Currency)*

Next-Generation Blockchains *(DeFi, NFT, Metaverse etc.)*

SOLANA | ethereum
CØSMOS | Polkadot | NEAR
CARDANO | AVALANCHE
polygon | Tezos
KUSAMA

Next-Generation PoS Opportunity & Relative Comparison

BTCS

Web 3 and transaction-based industries built on next-generation blockchain technologies represent a **multi-trillion market opportunity**.
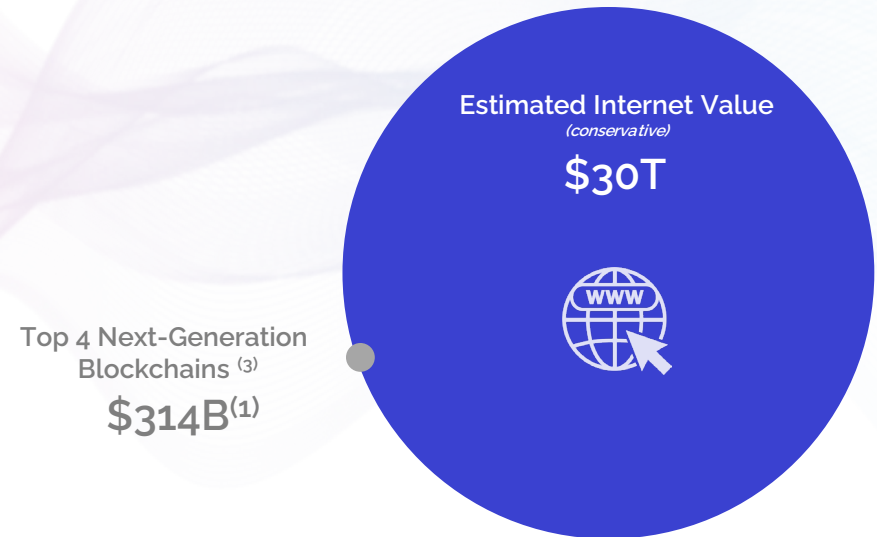
1st Generation Blockchains

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

Gold Reserves
$14.9T[2]

Bitcoin
$828B[1]

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**.

Estimated Internet Value
(conservative)
$30T

Top 4 Next-Generation Blockchains [3]
$314B[1]

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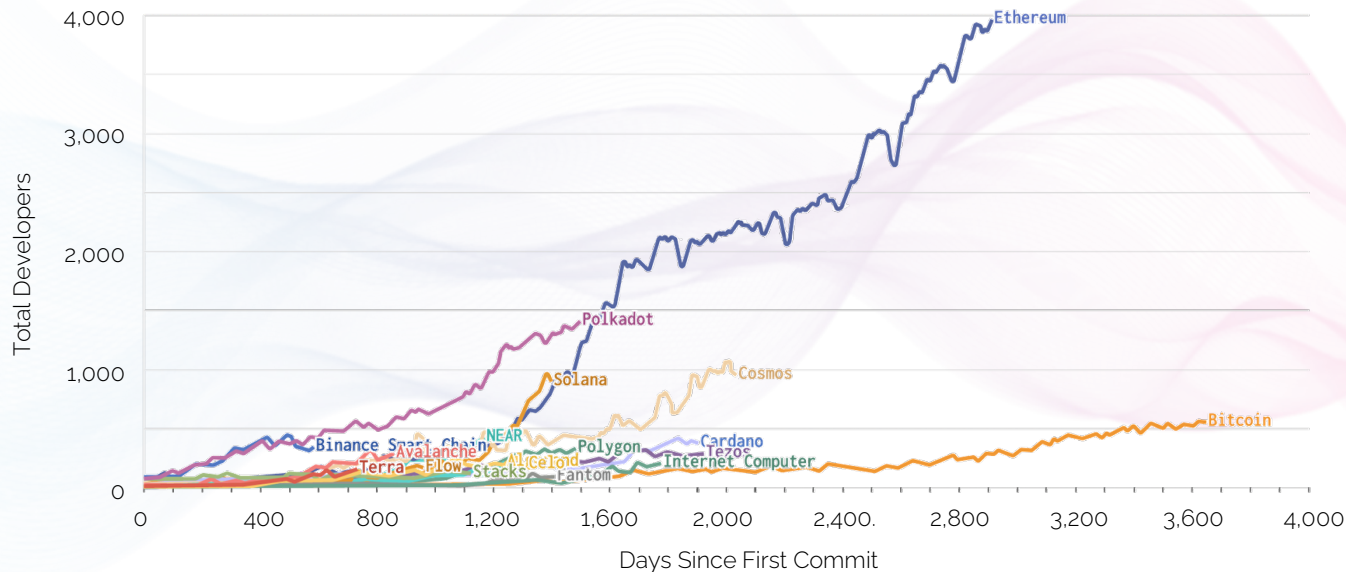
A **Commit** is an update to the code of a blockchain that is pushed to GitHub a public code repository. It's an indication of the level of software development.

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

| | | MAX 🔒 | 10Y | 5Y | 1Y | YTD | 6M |

ETH-USD: 1,212.34%
BTC-USD: 593.36%

ETH-USD ——
BTC-USD ——

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%

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

vs.

Non-Custodial Staking

Custodial Staking	Non-Custodial Staking
• Crypto exchanges create wallets for **accounts** set up **on exchange**	• Crypto holders purchase tokens on exchanges and transfer **off-exchange** to **digital wallets**
• Custodian has control over crypto assets (i.e. private keys) held in customer exchange accounts	• Users maintain control of private keys and direct staking activities from their wallets
• Users do not maintain or control private keys	• Users control safeguarding of their assets
• "Staked" assets are **pooled with others** by custodian	• Validators do not take control of assets, so assets are not pooled with the validator
• Actions of exchanges as the **controller of customer assets and pool operator** result in the expectation of profits from their efforts	• Operation of validator nodes is **ministerial in nature** and does not result in an expectation of profits by the efforts of others
• **Exchanges** determine and have the ability to change the annual percentage return ("APR") and frequency of **reward distribution**	• **Each blockchain** determines the reward frequency, unbonding periods, as well as APR and **distributes rewards directly** to the delegator
• Typically, higher transaction fees	• Lower transaction fees

coinbase   kraken   BINANCE

StakeSeeker
by BTCS