



BTCS Reports Q1 2025 Results

Silver Spring, MD – (Newsfile Corp. – May 15, 2025) – BTCS Inc. (Nasdaq: BTCS) (“BTCS” or the “Company”), a leader in blockchain infrastructure and technology, announced its financial results for the three months ended March 31, 2025 (“Q1 2025”).

Q1 2025 Financial Highlights

- **Revenue:** \$1.7 million, up 274% from \$0.5 million in Q1 2024, but down 27% from \$2.3 million in Q4 2024 due to lower crypto prices.
- **Gross Margin:** 7%, down primarily due to increased operational expenses related to expanding our Builder+ operations, which has been driving revenue growth.
- **Net Income/Loss:** Net loss of \$17.3 million, or \$0.86 per share, compared to net income of \$12.3 million, or \$0.78 per share, in Q1 2024, primarily driven by crypto price market volatility during the respective periods.
- **Cash and Cryptocurrency Holdings:** \$20.4 million as of March 31, 2025, down 43% from \$38.0 million at year-end 2024, primarily due to the market impact of macroeconomic factors.

Q1 2025 was affected by a broad crypto market pullback tied to tariff-related macroeconomic uncertainty. Despite a 43% decline in asset values, revenue fell only 27% quarter-over-quarter and grew 274% year-over-year, highlighting increased production and infrastructure scale. We remain focused on improving Builder+ margins as we drive order flow growth and expand our presence in the block-building market.

Post-Quarter Financial Updates (as of May 13, 2025)

- **Crypto Asset Recovery:** The fair market value of crypto assets increased approximately 53% to \$30.7 million, compared to March 31, 2025, reflecting a rebound in crypto market prices following Q1 macro-driven volatility.
- **Cash Position Strengthened:** Cash and cash equivalents increased to approximately \$7.8 million, primarily due to the receipt of \$7.4 million in proceeds from a [convertible note financing](#) completed after quarter-end.
- **Total Liquid Holdings:** Combined cash and crypto assets increased to approximately \$38.5 million, up 88% from March 31, 2025.

Management Commentary

In the first quarter of 2025, BTCS made continued progress in scaling its Ethereum-focused infrastructure, expanding its presence across critical layers of the ecosystem. Our strategy remains centered on driving long-term shareholder value by growing revenue, improving margins, and deepening our control of block space through technology upgrades and increased order flow.

To support this strategy, we executed several key initiatives during the quarter:

- **Staker Protection Plan (“SPP”):** We officially [launched](#) the SPP this quarter, marking a significant milestone in our validator-focused strategy. Developed in partnership with [Figment](#), a global leader in staking infrastructure, and [WonderFi](#), a premier digital asset platform, the SPP is designed to address

transaction inclusion, compliance requirements, and predictable validator revenue. The program introduces new capabilities to support institutional validators and lays the groundwork for broader adoption across the Ethereum ecosystem.

- **Strategic Partnership and Investment in ETHGas:** BTCS became a Priority Builder through a \$250,000 [investment](#) in [ETHGas](#), a low-latency blockspace infrastructure provider. This positions BTCS to play a pivotal role in the evolution of Ethereum blockspace markets, enabling faster transaction execution and expanding our influence in pre-sold blockspace solutions.
- **Technology Stack Optimization:** We successfully transitioned our Builder+ platform to [Rust](#), replacing Go, and migrated most of our infrastructure from AWS to bare-metal servers. These upgrades have significantly improved performance, reduced latency, and lowered operational costs—enhancing both efficiency and scalability.
- **Scaled Validator Implementation with Rocket Pool:** BTCS expanded its validator node operations through a [strategic integration](#) with [Rocket Pool](#), deploying hundreds of nodes as part of a vertically integrated model designed to increase validator rewards and support decentralization.

Industry & Market Commentary

The digital asset market experienced elevated volatility in early 2025, largely driven by macroeconomic uncertainty, including global tariff concerns. Despite these pressures, the structural fundamentals of the blockchain industry remain intact, with continued momentum across infrastructure, regulatory clarity, and Ethereum protocol development.

On May 7, Ethereum successfully completed its highly anticipated Pectra upgrade, introducing critical scalability enhancements and user-focused improvements such as increased maximum effective stake for validators and support for multi-token gas payments. These changes are expected to reduce infrastructure costs for validators, improve user experience, and unlock new use cases—solidifying Ethereum’s role as the leading smart contract platform and reinforcing our strategic focus on this network.

While near-term market conditions remain uncertain, we believe BTCS is well-positioned to benefit from long-term industry tailwinds. Our continued infrastructure investments, expanding builder market share, and validator scaling initiatives place us in a strong position to capitalize on future opportunities as the market normalizes and blockchain adoption advances.

About BTCS:

BTCS Inc. (Nasdaq: BTCS) is a U.S.-based blockchain infrastructure technology company currently focused on driving scalable revenue growth through its blockchain infrastructure operations. BTCS has honed its expertise in blockchain network operations, particularly in block building and validator node management. Its branded block-building operation, Builder+, leverages advanced algorithms to optimize block construction for on-chain validation, thus maximizing gas fee revenues. BTCS also supports other blockchain networks by operating validator nodes and staking its crypto assets across multiple proof-of-stake networks, allowing crypto holders to delegate assets to BTCS-managed nodes. In addition, the Company has developed ChainQ, an AI-powered blockchain data analytics platform, which enhances user access and engagement within the blockchain ecosystem. Committed to innovation and adaptability, BTCS is strategically positioned to expand its blockchain operations and infrastructure beyond Ethereum as the ecosystem evolves. **Explore how BTCS is revolutionizing blockchain infrastructure in the public markets by visiting www.btcs.com.**

Forward-Looking Statements:

Certain statements in this press release constitute “forward-looking statements” within the meaning of the federal securities laws, including statements regarding growing revenue, improving margins, increasing order flow, and expectations from the Pectra upgrade, including anticipated performance improvements and system compatibility. Words such as “may,” “might,” “will,” “should,” “believe,” “expect,” “anticipate,” “estimate,” “continue,” “predict,” “forecast,” “project,” “plan,” “intend” or similar expressions, or statements regarding intent, belief, or current expectations, are forward-looking statements. While the Company believes these forward-looking statements are reasonable, undue reliance should not be placed on any such forward-looking statements, which are based on information available to us on the date of this release. These forward-looking statements are based upon assumptions and are subject to various risks and uncertainties, including without

limitation regulatory issues, unexpected issues with Builder+, ChainQ, and the Pectra upgrade implementation, as well as risks set forth in the Company's filings with the Securities and Exchange Commission including its Form 10-K for the year ended December 31, 2024 which was filed on March 20, 2025. Thus, actual results could be materially different. The Company expressly disclaims any obligation to update or alter statements, whether as a result of new information, future events, or otherwise, except as required by law.

For more information follow us on:

Twitter: <https://x.com/NasdaqBTCS>

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Investor Relations:

Charles Allen – CEO

X (formerly Twitter): [@Charles_BTCS](#)

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Financials

The tables below are derived from the Company's financial statements included in its Form 10-Q filed on May 14, 2025, with the Securities and Exchange Commission. Please refer to the Form 10-Q for complete financial statements and further information regarding the Company's results of operations and financial condition relating to the fiscal quarter ended March 31, 2025 and 2024. Please also refer to the Company's Form 10-K for a discussion of risk factors applicable to the Company and its business.

BTCS Inc. Condensed Consolidated Balance Sheets

	March 31, 2025 <u>(Unaudited)</u>	December 31, 2024
Assets:		
Current assets:		
Cash and cash equivalents	\$ 269,929	\$ 1,977,778
Stablecoins	38,596	39,545
Crypto assets	394,614	646,539
Staked crypto assets	19,738,958	35,410,144
Prepaid expenses	236,036	63,934
Total current assets	<u>20,678,133</u>	<u>38,137,940</u>
Other assets:		
Investments, at value (Cost \$350,000)	350,000	100,000
Property and equipment, net	6,515	7,449
Total other assets	<u>356,515</u>	<u>107,449</u>
Total Assets	\$ 21,034,648	\$ 38,245,389
Liabilities and Stockholders' Equity:		
Accounts payable and accrued expenses	\$ 121,314	\$ 70,444
Accrued compensation	312,063	3,907,091
Warrant liabilities	42,750	267,900
Total current liabilities	<u>476,127</u>	<u>4,245,435</u>
Stockholders' equity:		

Preferred Stock, \$0.001 par value per share; 20,000,000 shares authorized;

Series V Preferred Stock; 16,004,738 and 15,033,231 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	2,818,271	2,646,314
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Common Stock, \$0.001 par value per share; 975,000,000 shares authorized; 20,206,880 and 18,717,743 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	20,207	18,718
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Additional paid-in capital	174,937,017	171,283,199
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Accumulated deficit	(157,216,974)	(139,948,277)
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Total stockholders' equity	<u>20,558,521</u>	<u>33,999,954</u>
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Total Liabilities and Stockholders' Equity	\$ 21,034,648	\$ 38,245,389
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BTCS Inc.
Condensed Consolidated Statements of Operations

For the Three Months Ended

March 31,

	2025	2024
Revenues		
Blockchain infrastructure revenues	\$ 1,688,935	\$ 451,386
Total revenues	1,688,935	451,386
Cost of revenues		
Blockchain infrastructure costs	1,568,659	160,625
Gross profit	120,276	290,761
Operating expenses:		
General and administrative	558,388	487,599
Research and development	209,251	146,549
Compensation and related expenses	688,202	455,779
Marketing	245,172	57,602
Realized (gains) losses on crypto asset transactions	1,382,288	(10,687)
Total operating expenses	3,083,301	1,136,842
Other income (expenses):		
Change in unrealized appreciation (depreciation) of crypto assets	(14,530,822)	13,102,667
Change in fair value of warrant liabilities	225,150	-
Total other income (expenses)	(14,305,672)	13,102,667
Net income (loss)	\$ (17,268,697)	\$ 12,256,586
Basic net income (loss) per share attributable to common stockholders	\$ (0.86)	\$ 0.78
Diluted net income (loss) per share attributable to common stockholders	\$ (0.86)	\$ 0.63

Basic weighted average number of common shares outstanding	19,967,045	15,691,677
Diluted weighted average number of common shares outstanding, basic and diluted	19,967,045	19,410,550

BTCS Inc.
Condensed Consolidated Statements of Cash Flows

For the Three Months Ended

March 31,

	2025	2024
Net Cash flows used in operating activities:		
Net income (loss)	\$ (17,268,697)	\$ 12,256,586
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation expense	879	1,495
Stock-based compensation	3,598,309	878,042
Blockchain infrastructure revenue	(1,688,935)	(451,386)
Builder payments (non-cash)	1,480,324	65,613
Blockchain network fees (non-cash)	3,054	
Change in fair value of warrant liabilities	(225,150)	-
Realized losses on crypto assets transactions	1,382,288	(10,687)
Change in unrealized (appreciation) depreciation of crypto assets	14,530,822	(13,102,667)
Changes in operating assets and liabilities:		
Stablecoins	949	6,247
Prepaid expenses and other current assets	(172,102)	30,841
Receivable for capital shares sold	-	291,440
Accounts payable and accrued expenses	50,870	(28,865)
Accrued compensation	(3,595,028)	(705,673)
Net cash used in operating activities	<u>(1,902,417)</u>	<u>(769,014)</u>
Cash flows from investing activities:		
Purchase of productive crypto assets for validating	(48,940)	(18,719)
Sale of productive crypto assets	264,498	-
Purchase of investments	(250,000)	-
Purchase of property and equipment	(1,695)	-
Sale of property and equipment	1,750	-
Net cash provided by (used in) investing activities	<u>(34,387)</u>	<u>(18,719)</u>

Cash flow from financing activities:

Net proceeds from issuance common stock/ At-the-market offering	228,955	-
Net cash provided by financing activities	<u>228,955</u>	<u>-</u>

Net (decrease)/increase in cash	(1,707,849)	(787,733)
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Cash, beginning of period	1,977,778	1,458,327
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Cash, end of period	<u>\$ 269,929</u>	<u>\$ 670,594</u>
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Supplemental disclosure of non-cash financing and investing activities:

Series V Preferred Stock Distribution	\$ 180,688	\$ -
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