Risk Factors Comparison 2024-03-21 to 2023-03-31 Form: 10-K

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The development and operation of the Company' s validator nodes for non- custodial staking, as well as the development of **StakeSeeker** ~~the Digital Asset Platform~~ , ~~is~~ **Builder , and ChainQ, are** hosted on cloud computing by Amazon Web Services (" AWS "). The consolidation of our proprietary technology on AWS subjects the Company to cyber security and other risks that face AWS. We have limited control over AWS, the services it provides us and the safety and security measures related thereto. If AWS fails to maintain the continuous functionality or security of its networks and related hardware on which we rely for our operations, we may be unable to generate revenue we otherwise would, and could suffer substantial losses. For example, some PoS networks implement the slashing penalties described above, wherein the crypto assets that were staked to allow us to participate in the validation process are taken away from us, if a validator node on which the crypto asset is staked is offline for a certain amount of time. Additionally, if our Delegators crypto assets become subject to slashing, we could experience significant losses, from resulting claims against us by them, as well as reputational harm and lost customer relationships. If any of the foregoing or other adverse developments occur as a result of our reliance on a single service provider for our PoS validating operations, it could have a material adverse effect on our business, financial condition and results of operations. Crypto assets staked on Proof **-** of **-** Stake blockchains are locked in smart contracts and may not be accessible and liquid. Crypto assets which utilize PoS consensus mechanisms are locked in smart contracts while staked which limits liquidity of the underlying crypto asset. This is because under PoS network protocols, in order to participate in the staking process validators such as us are required to enter into smart contracts which, among other things, require the validator to continue to keep a specified number of the crypto assets owned by the validator " locked- up " in the network for a specified period of time before they can again be transferred by such validator. This lock- up period often extends beyond the time at which the transaction is validated. We currently stake certain of our crypto assets and operate nodes on blockchain networks through our blockchain infrastructure services business. During times of high volatility or downturns, which are common among crypto assets for many reasons including those described elsewhere in these Risk Factors, we may be unable to liquidate certain crypto assets to the extent desired. ~~We currently carry our staked Ethereum as a non- current long- term asset on our balance sheet until liquidity for staked Ethereum is unlocked. Staked crypto assets which can be unlocked from a smart contract in less than one year are carried as current assets on our balance sheet.~~ As such we may experience large losses when and if we are able to liquidate our crypto assets as a result of continued volatility ~~,~~ **.** ~~further~~ **Further** if we are unable to liquidate our crypto assets we could suffer material financial losses, which would adversely impact our business. Because our current **staking- as- a- service** business plan and operations depend on consumers investing in crypto assets and staking **to our nodes** and monitoring them using our non- custodial platform, economic downturns will materially adversely affect us. Our non- custodial staking- as- a- service ~~platform~~ **strategy** depends on consumers purchasing crypto assets from exchanges and ~~holdings~~ - **holding** them long- term, and staking them ~~using~~ **to** our **validator nodes** ~~platform, as well as using the other functions offered by or envisioned for our platform such as data analytics and monitoring crypto asset holdings~~ . Therefore, economic downturns or a recession will cause a reduction in ~~demand for~~ **delegation traffic to** our ~~platform~~ **nods** by causing consumers to reduce spending on investments or non- essential items such as crypto assets. Similarly, a decline in the popularity or public perception of such crypto assets would yield a similar result. In 2022, the U. S. capital markets in general, and crypto assets prices in particular, saw significant declines as the Federal Reserve heightened interest rates to combat inflation. This followed initial declines earlier in 2022 in response to the Ukraine war and worsening supply chain issues and supply shortages. **While** ~~As of~~ the ~~date of this Report, the U. S. capital~~ markets ~~remain subject~~ **have appeared** to **recover as of February 2024, crypto and stock prices have nonetheless experienced** substantial ~~uncertainty~~ **volatility in recent years** , **and in** ~~with consumer confidence declining due to a number of factors including, as a result of the collapse of three~~ -- **the event** ~~major banks in March 2023 and the potential broader implications and financial impact on the U. S. economy, as well as high inflation and anticipated continued interest rate increases and the enhanced likelihood~~ of **adverse** ~~a recession as a result. Give these current~~ market conditions, consumers may elect to sell their crypto assets, or decline to increase their holdings, rather than hold and stake them ~~using~~ **to** our ~~platform~~ **nodes** . Because we and our industry depend on consumers holding and staking ~~the~~ crypto assets long- term, ~~this~~ **such a** trend has the potential to materially adversely harm us and our prospects. Particularly in the event of prolonged or recurring recessionary **or turbulent market** conditions. Our obligations to comply with the laws, rules, regulations, and policies of a variety of jurisdictions is uncertain and untested, and we are subject to uncertainty with respect to our ~~potential~~ **Ethereum block building and** non- custodial staking- as- a- service ~~business~~ **businesses** and we may be subject to investigations and enforcement actions by U. S. and non- U. S. regulators and governmental authorities. In addition to the securities laws and regulations discussed elsewhere in these Risk Factors, laws regulating financial services, the internet, mobile technologies, digital, and related technologies inside and outside of the U. S. may impose obligations on us, as well as broader liability. For example, we are required to comply with laws and regulations related to sanctions and export controls enforced by U. S. Department of Treasury' s Office of Foreign Assets Control, or OFAC, and U. S. anti- money laundering and counter- terrorist financing laws and regulations, enforced by FinCEN and certain state financial services regulators. U. S. sanctions laws and regulations generally restrict dealings by persons subject to U. S. jurisdiction with certain governments, countries, or territories that are the target of comprehensive sanctions, currently the Crimea Region of Ukraine **, Russian Federation** , Cuba, Iran, North Korea, Syria, and Venezuela as well as with persons identified on certain prohibited lists. In May 2019, FinCEN issued guidance on the application of FinCEN regulations to certain business models. While the guidance directly addressed Bitcoin mining, it did not address securing PoS blockchains which while similar to Bitcoin mining has technical nuanced differences which could potentially alter the analysis. As such, there can be no guarantee that securing (~~mining~~ **staking**) on PoS blockchain networks will be viewed as compliant, notwithstanding the May 2019 FinCEN guidance. In particular, the nature of blockchains make it technically impossible in all circumstances to prevent or identify transactions with particular persons or addresses. **Our** ~~While our~~ platform, StakeSeeker, utilizes geo- blocking in an effort to prevent its use by persons located in sanctioned jurisdictions **by employing third- party software** , ~~if~~ **Cloudflare, to automatically identify and restrict log- in attempts to the StakeSeeker platform from specific countries and jurisdictions These restricted areas include Cuba, Iran, North Korea, the Russian Federation, Syria, and Venezuela. Any StakeSeeker users detected from these regions will be redirected to a page informing them that their access has been restricted. In addition, our Builder block builder software is equipped with a filtering mechanism that screens transactions initiated by wallet addresses listed on OFAC' s Specially Designated Nationals And Blocked Persons (SDN) list, ensuring transactions from identified wallets are not included in the blocks we propose to validators. We actively monitor sanctioned jurisdictions to ensure that appropriate restrictions are maintained. If,** notwithstanding these efforts **,** our current or planned activities are found to constitute " facilitating " or assisting the actions of non- U. S. persons that would be prohibited for U. S. persons to perform directly due to U. S. sanctions, despite the fact we don' t take custody of staked crypto assets nor pay delegator crypto rewards, it could result in material negative consequences for us, including costs related to government investigations, harsh financial penalties, and harm to our reputation. The impact on us related to these matters could be substantial. We **' ve sought and** are seeking **additional** legal guidance on what, if any, controls and procedures need to be put in place and whether our activities could constitute facilitation of any illicit activities under the current regulatory framework. Regulators worldwide frequently study each other' s approaches to the regulation of the digital economy. Consequently, developments in any jurisdiction may influence other jurisdictions. New developments in one jurisdiction may be extended to additional services and other jurisdictions. In addition, digital economies themselves are subject to rapid and unpredictable change that regulators could decide warrants updates or additions to existing regulatory regimes. As a result, the risks created by any new law or regulation in one jurisdiction are magnified by the potential that they may be replicated, affecting our business in another place. Conversely, if regulations diverge worldwide, we may face difficulty adjusting aspects of our business. The complexity of U. S. federal and state and international regulatory and enforcement regimes, coupled with the evolving global regulatory environment, could result in a single event prompting a large number of overlapping investigations and legal and regulatory proceedings by multiple government authorities in different jurisdictions. Any of the foregoing could, individually or in the aggregate, harm our reputation, damage our brands and business, and adversely affect our operating results and financial condition. Due to the uncertain application of existing laws and regulations, it may be that, despite our planned regulatory and legal analysis that certain products and services are currently unregulated, such products or services may indeed be subject to financial regulation, licensing, or authorization obligations that we have not obtained or with which we have not complied. As a result, we are at a heightened risk of enforcement action, litigation, regulatory, and legal scrutiny which could lead to sanctions, cease, and desist orders, or other penalties and censures which could significantly and adversely affect our continued operations and financial condition. Security Risks Related to Our Crypto Asset Holdings Our crypto assets may be subject to loss, damage, theft or restriction on access. There is a risk that part or all of our crypto assets could be lost, stolen, destroyed or become inaccessible. We believe that our crypto assets will be an appealing target to hackers or malware distributors seeking to destroy, damage **,** or steal our crypto assets. To minimize the risk of loss, damage and theft, security breaches, and unauthorized access we primarily hold our crypto assets in various cryptocurrency digital wallets and hold minimal amounts at exchanges. Nevertheless, the digital wallets and exchanges we utilize may not be impenetrable and may not be free from defect or immune to acts of God, and any loss due to a security breach, software defect or act of God will be borne by us. Any of these events may adversely affect our operations and, consequently, an investment in us. To the extent that any of our crypto assets are held by crypto exchanges, we may face heightened risks from cybersecurity attacks and **the** financial stability of the exchanges. All crypto assets not held in a Company' s controlled digital wallet are held at crypto exchanges and subject to the risks encountered by those ~~exchange~~ **exchanges** including ~~DDoS~~ **DdoS** Attacks, other malicious hacking, a sale of the exchange, loss of the crypto assets by the exchange, security breaches, and unauthorized access of our account by hackers. The Company may not maintain a custodian agreement with the exchanges with which it holds its crypto assets ~~at.~~ **, and such** exchanges do not provide insurance and may lack the resources to protect against hacking and theft. Less than 0. 1 % of the Company' s crypto assets are typically stored at exchanges ~~,~~ **;** however, this may increase at or around the sales or purchase of crypto assets. We may be materially and adversely affected if the exchanges suffer cyberattacks or incur financial problems. The loss or destruction of a private key required to access a crypto asset may be irreversible. Our loss of access to our private keys could adversely affect an investment in our Company. Crypto assets are controllable only by the possessor of both the unique public key and private key relating to the local or online digital wallet in which the crypto assets are held. We are required by the operation of the crypto asset network to publish the public key relating to a digital wallet in use by us when it first verifies a spending transaction from that digital wallet and disseminates such information into the network. We safeguard and keep private the private keys relating to our crypto assets not held at exchanges by utilizing key sharing and multi- signature storage techniques; to the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, we will be unable to access the crypto assets held by it and the private key will not be capable of being restored by the network. Any loss of private keys relating to digital wallets used to store our crypto assets could adversely affect an investment in us. Security threats to us could result in a loss of Company' s crypto assets. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could harm our business operations or result in loss of our Ethereum and other crypto assets. Any breach of our infrastructure could result in damage to our reputation which could adversely affect an investment in us. Furthermore, we believe that, as our assets continue to grow, it may become a more appealing target for security threats such as hackers and malware. The security system and operational infrastructure may be breached due to the actions of outside parties, error or malfeasance of an employee of ours, or otherwise, and, as a result, an unauthorized party may obtain access to our, private keys, data **,** or Ethereum. Additionally, outside parties may attempt to fraudulently induce employees of ours to disclose sensitive information in order to gain access to our infrastructure. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of our security system occurs, the market perception of the effectiveness of our security system could be harmed, which could adversely affect an investment in us. In the event of a security breach, we may be forced to cease operations, or suffer a reduction in assets, the occurrence of each of which could adversely affect an investment in us. Incorrect or fraudulent crypto asset transactions may be irreversible. Crypto asset transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to a blockchain, an incorrect transfer of crypto assets or a theft of crypto assets generally will not be reversible, and we may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, our crypto assets could be transferred from us in incorrect amounts or to unauthorized third parties. To the extent that we are unable to seek a corrective transaction with such third party or are incapable of identifying the third party which has received our crypto assets through error or theft, we will be unable to revert or otherwise recover incorrectly transferred crypto assets. To the extent that we are unable to seek redress for such error or theft, such loss could adversely affect an investment in us. The limited rights of legal recourse against us, and our lack of insurance protection expose us and our shareholders to the risk of loss of our crypto assets for which no person is liable. The crypto assets held by us are not insured. Therefore, a loss may be suffered with respect to our crypto assets which are not covered by insurance and for which no person is liable in damages which could adversely affect our operations and, consequently, an investment in us. Crypto assets held by us are not subject to FDIC or SIPC protections. We do not and will not hold our Ethereum and other crypto assets with a banking institution or a member of the FDIC or the Securities Investor Protection Corporation (“ SIPC ”) and, therefore, our crypto assets are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. Risks Related to Our ~~Digital Asset Platform (StakeSeeker)~~ Development **Efforts** There is substantial doubt that we will be able to fully develop or commercialize our **StakeSeeker** ~~Digital Asset Platform~~ **platform as intended** . We are continuing to develop our **StakeSeeker** ~~Digital Asset Platform~~ **platform** with the ultimate goal of consolidating users’ information so that it can be more easily accessed and reviewed by users. We may not successfully fully develop this platform as planned, in a cost- efficient manner, to the extent sought or at all. If we fail to develop a ~~Digital Asset Platform~~ **comprehensive dashboard for StakeSeeker** as intended, it could have a material adverse effect on our business, especially to the extent that we allocate significant capital, labor and other resources to this endeavor rather than focusing on other business opportunities which may prove to have been more lucrative in hindsight. Even if we do successfully develop our platform and bring it to the marketplace, there is no guarantee that we will attract enough users to generate revenue or become profitable. Our competitors, most of whom have greater capital and human resources than we do, may develop technologies that are superior to our platform or commercialize comparable technologies before us, in which case our ability to attract users and generate revenue therefrom could be rendered unlikely or even impossible. If we fail to obtain users for our platform or find an alternative means of commercializing our platform to recoup our investment therein, it will have a material adverse effect on our financial condition. Finally, even if we do fully develop the platform and attract users, events outside of our control such as regulatory actions against us or crypto assets on which our platform depend, or economic downturns, could force us to cease operating our platform or render it obsolete. If we fail to fully develop and commercialize our platform in a timely and effective manner, your investment in us could lose some or all of its value. Even if we develop and commercialize our **StakeSeeker** ~~Digital Asset Platform~~ **platform** , we may not be able to generate material revenues. The **continued** ~~Digital Asset Platform that we are currently developing~~ **development of StakeSeeker** will require significant time and capital. Even if we do develop this platform and acquire a sufficient number of users to generate revenue, we cannot guarantee the revenue would be material or sufficient to justify the costs we anticipate incurring to develop the platform **. While we are pursuing the development of additional features to make our platform more useful and attractive to consumers involved in crypto assets, we may fail to develop these features effectively in an efficient manner, or within a timeframe that enables us to be or remain competitive** . Our ability to capitalize on any platform we do develop will depend on a variety of factors and uncertainties beyond our control, including the competition we face and similar or superior services that may already exist by the time we begin marketing our platform, the volatile nature of the blockchain industry generally and the unknown demand for the services we plan to offer through our platform as it is currently envisioned, regulatory developments that have arisen or may arise in the future, and the advancement of new technologies which could arise in the future and render our platform partially or completely obsolete. If any of these or other risks come to fruition to prevent our platform from generating material revenue to justify its costs of production, it would have a material adverse effect on our business. **We may experience loss of revenues resulting from excessive removal of delegated crypto assets from our validator nodes. To the extent the Company successfully executes on its business plan and earns material revenue from customers who delegate their crypto assets to the Company’ s validator nodes and subsequently experiences excessive removal of customer staked crypto assets from its validator nodes (i. e. a loss of customers) the Company would lose the related revenue which may have a material adverse impact on the Company. Shifts in the Ethereum block building landscape and market could increase the difficulty of remaining competitive and increase costs. Our Ethereum block builder, Builder , faces competition from existing and potential entrants in the expanding market. New and existing competitors may emerge with superior algorithms or strategies, potentially eroding our current market share, potential growth, and revenue**

generation potential. Moreover, changes in the Ethereum ecosystem, including network upgrades or shifts to alternative networks, may impact the demand for our services. Staying competitive requires continuous innovation and adaptation to market dynamics, which may necessitate additional investments and resources. We may experience losses resulting from technical failures, bugs, or vulnerabilities in our block builder software. The risk of technical failures, bugs, or vulnerabilities in our block builder software could lead to operational disruptions and potential financial losses. Our Ethereum block- building process heavily relies on advanced algorithms and technology. The risk of technical failures, bugs, or vulnerabilities in our block builder software could lead to operational disruptions and potential financial losses. Furthermore, the security of our operation is paramount, as vulnerabilities in smart contracts, blockchain infrastructure, or the Ethereum network could result in security breaches, data breaches, and financial harm to our clients and us. Ensuring the ongoing scalability and efficiency of our algorithms requires continuous investment in research and development. The development of our ~~Digital Asset~~ **StakeSeeker and ChainQ** ~~Platform~~ **platforms** will depend on the successful efforts of our employees. Our platform development ~~effort~~ **efforts** ~~is~~ **are** completely dependent on our infrastructure. We use internally developed systems for the ~~platform~~ **platforms** . Any future difficulties **in** developing aspects of our ~~platform~~ **platforms** may cause delays in bringing our ~~platform~~ **platforms** to market. If our data stored on AWS and the backups thereof are compromised, our platform ~~,~~ **and** prospects ~~,~~ could be harmed. Despite our implementation of network security measures, our servers are vulnerable to computer viruses, physical or electronic break- ins **,** and similar disruptions, the occurrence of any of which could lead to interruptions, delays, loss of critical data **,** or the inability to launch our platform. The occurrence of any of the foregoing risks could materially harm our business. We are subject to cyber security risks and may incur delays in platform development in an effort to minimize those risks and to respond to cyber incidents. **StakeSeeker** ~~Our Digital Asset Platform~~ is and will continue to be dependent on the secure operation of our website and systems as well as the operation of the Internet generally. The platform involves reading user data, and storage of user data, and security breaches could expose us to a risk of loss or misuse of this information, litigation, and potential liability. A number of large Internet companies have suffered security breaches, some of which have involved intentional attacks. From time to time, we and many other internet businesses also may be subject to a denial **-** of **-** service attacks wherein attackers attempt to block customers' access to our website. If we are unable to avert a denial **-** of **-** service attack for any significant period, we could sustain delays in the development of the platform and when launched risk losing future users and have user dissatisfaction. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber- attacks. Cyber- attacks may target us, our users, or exchanges we read data from in general or the communication infrastructure on which we depend. If an actual or perceived attack or breach of our security occurs, user perception of the effectiveness of our security measures could be harmed and we could lose our future user. Actual or anticipated attacks and risks may cause us to incur increasing costs, and delay development. A person who is able to circumvent our security measures might be able to misappropriate our or our users' proprietary information, cause interruption in our operations, damage our computers or those of our users, or otherwise damage our reputation and platform. Any compromise of our security could result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation, and a loss of confidence in our security measures, which could harm our business. We may become subject to data privacy and data security laws and regulations by virtue of our **StakeSeeker** ~~Digital Asset Platform~~ **platform** , which could force us to incur significant compliance costs and expose us to liabilities. By virtue of our platform, including planned additional functions, we may become subject to the various local, state, federal, and international laws and regulations that apply to the collection, use, retention, protection, disclosure, transfer, and processing of personal data. These data protection and privacy laws and regulations and their applicability to our current and future operations and offerings are subject to uncertainty and continue to evolve in ways that could adversely impact our business. These laws could have a substantial impact on our operations, depending in large part on the location of our operations, users, employees and other stakeholders with which we are or become involved. In the United States, state and federal lawmakers and regulatory authorities have increased their attention on the collection and use of user data. For example, California enacted the California Consumer Privacy Act, or CCPA, which became effective in 2020. The CCPA requires covered companies to, among other things, provide new disclosures to California users, and affords such users new privacy rights such as the ability to opt- out of certain sales of personal information and expanded rights to access and require deletion of their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is collected, used, and shared. The CCPA provides for civil penalties for violations, as well as a private right of action for security breaches that may increase security breach litigation. Potential uncertainty surrounding the CCPA may increase our compliance costs and potential liability, particularly in the event of a data breach, and could have a material adverse effect on our business, including how we use personal information, our financial condition, the results of our operations or prospects. Since the CCPA was enacted, ~~other~~ **a growing number of** states ~~including Nevada, Maine, Colorado and Virginia~~ have enacted similar legislation designed to protect the personal information of consumers and penalize companies that fail to comply, and other states have also proposed similar legislation. The costs of compliance with, and other burdens imposed by, the CCPA, and similar laws may limit our prospective customer base or the use and adoption of our products and services and / or require us to incur substantial compliance costs, which could have an adverse impact on our business. Additionally, many foreign countries and governmental bodies in which our users may reside, have laws and regulations concerning the collection, use, processing, storage, and deletion of personal information obtained from their residents or by businesses operating within their jurisdiction. These laws and regulations are often more restrictive than those in the United States. Such laws and regulations may require companies to implement new privacy and security policies, permit individuals to access, correct, and delete personal information stored or maintained by such companies, inform individuals of security breaches that affect their personal information, require that certain types of data be retained on local servers within these jurisdictions, and, in some cases, obtain individuals' affirmative opt- in consent to collect and use personal information for certain purposes. There is a risk that as we develop and offer our platform and other services, we may become subject to one or more of these data privacy and security laws. Despite our efforts to comply with applicable laws, regulations and other obligations relating to privacy, data protection, and information security, including by deploying geo- blocking features to limit the jurisdictions from which our platform can be accessed, it is possible that our practices, offerings, or platform, or third parties on which we rely, could fail. For instance, the overall regulatory framework governing the application of privacy laws to blockchain technology is still highly undeveloped and likely to evolve. **Further, given the pseudonymous nature of activities involving crypto assets, we may encounter enhanced difficulties in our compliance efforts that are not present to the same degree in other business types.** Our failure, or the failure by our third- party providers or partners, to comply with applicable laws or regulations and to prevent unauthorized access to, or use or release of personal data, or the perception that any of the foregoing types of failure has occurred, even if unfounded, could subject us to audits, inquiries, whistleblower complaints, adverse media coverage, investigations, potential severe criminal or civil sanctions, fines or damages, reputational harm, or expensive and time- consuming proceedings by governmental agencies and private claims and litigation, any of which could materially adversely affect our business, operating results, and financial condition. We may infringe the intellectual property rights of others, which may prevent or delay our product development efforts and stop us from commercializing or increase the costs of commercializing the **StakeSeeker** ~~Digital Asset Platform~~ **platform** . Our commercial success depends significantly on our ability to operate without infringing the patents and other intellectual property rights of third parties however, we may not always be able to determine that we are using or accessing protected information or software. For example, there could be issued patents of which we are not aware that our products infringe. There also could be patents that we believe we do not infringe, but that we may ultimately be found to infringe. Moreover, patent applications are in some cases maintained in secrecy until patents are issued. The publication of discoveries in scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made and patent applications were filed. Because patents can take many years to issue, there may be currently pending applications of which we are unaware that may later result in issued patents that our products infringe. Because of the foregoing, we may be subject to legal claims of alleged infringement of the intellectual property rights of third parties. We expect this risk to increase as we continue to develop and roll- out additional functions **for the StakeSeeker** ~~in our Digital Asset Platform~~ **platform** and potential StaaS operations in the future. The ready availability of damages, royalties and the potential for injunctive relief has increased the defense litigation costs of patent infringement claims, especially those asserted by third parties whose sole or primary business is to assert such claims. Such claims, even if not meritorious, may result in significant expenditure of financial and managerial resources, and the payment of damages or settlement amounts. Accordingly, we could expend significant resources defending against patent infringement and other intellectual property right claims ~~;~~**,** which could require us to divert resources away from operations. Any damages we are required to pay or injunctions against our continued use of such intellectual property in resolution of such claims may cause a material adverse effect to our business and operations, which could adversely affect the trading price of our securities and harm our investors. Additionally, we may become subject to injunctions prohibiting us from using software or business processes we currently use or may need to use in the future or requiring us to obtain licenses from third parties when such licenses may not be available on financially feasible terms or terms acceptable to us or at all. In addition, we may not be able to obtain on favorable terms, or at all, licenses or other rights with respect to intellectual property we do not own in providing ecommerce services to other businesses and individuals under commercial agreements. Risks Related to Our Public Company Reporting Requirements and Accounting Matters We may need to implement additional finance and accounting systems, procedures and controls as we grow our business and organization and to satisfy new reporting requirements. We are required to comply with a variety of reporting, accounting **,** and other rules and regulations. Compliance with existing requirements is expensive. We may need to implement additional finance and accounting systems, procedures **,** and controls to satisfy our reporting requirements and such further requirements may increase our costs and require additional management time and resources. For example, many crypto assets, including those on PoS blockchain networks with which we are or may become involved, demonstrate novel and unique accounting challenges, including due to smart contracts affecting the underlying crypto assets. Any deficiencies in our internal control over financial reporting, should they arise, could cause investors to lose confidence in our reported financial information, negatively affect the market price of our Common Stock, subject us to regulatory investigations and penalties, and adversely impact our business and financial condition. Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our financial results. Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including but not limited to revenue recognition, estimating valuation allowances and accrued liabilities (including allowances for returns, credit card chargebacks, doubtful accounts and obsolete and damaged inventory), internal use software and website development (acquired and developed internally), accounting for income taxes, valuation of long- lived and intangible assets and goodwill, stock- based compensation and loss contingencies, are highly complex and involve many subjective assumptions, estimates and judgments by our management. Additional complexities can arise with respect to crypto asset operations. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments by our management could significantly change our reported or expected financial performance. ~~Since there has been limited precedence set~~ **Further, in January 2024 we adopted a new accounting treatment (ASU No. 2023- 08)** for **our** ~~financial accounting of~~ crypto assets, **which may pose challenges** ~~it is unclear how we will be required to account for~~ - **or added expenses** ~~crypto asset transactions~~ in ~~the future. Since there~~ -- **the preparation** ~~has been limited precedence set for the financial accounting~~ of ~~crypto assets, it is unclear how we will be required to account for crypto asset transactions or assets. Furthermore, a change in regulatory or financial accounting standards could result in the necessity to restate~~ our financial statements **, or render** ~~as has happened in the past. Such~~ a **comparison of** ~~restatement could negatively impact~~ our ~~business, prospects,~~ financial **performance and** condition ~~and results~~ **between periods more difficult or investors, especially given the novelty** of

~~operation~~ **this new accounting method for crypto assets** . If our estimates or judgment relating to our critical accounting policies prove to be incorrect, our operating results could be adversely affected. The preparation of financial statements in conformity with generally accepted accounting principles, or GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates " in Part II, Item 7 of this Annual Report on Form 10- K. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant estimates and judgments involve the identification of performance obligations in revenue recognition, evaluation of tax positions, and the valuation of stock- based awards and crypto assets we hold, among others. Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of analysts and investors, resulting in a decline in the trading price of our Common Stock. We are subject to the information and reporting requirements of the Exchange Act), and other federal securities laws, including compliance with the Sarbanes- Oxley Act of 2002 (the " Sarbanes- Oxley Act "). The costs of preparing and filing annual and quarterly reports and other information with the SEC and furnishing audited reports to shareholders will cause our expenses to be higher than they would have been if we were privately held. It may be time- consuming, difficult and costly for us to develop, implement and maintain the internal controls and reporting procedures required by the Sarbanes- Oxley Act. We may need to hire additional financial reporting, internal controls and other finance personnel in order to develop and implement appropriate internal controls and reporting procedures. Public company compliance may make it more difficult to attract and retain officers and directors. The Sarbanes- Oxley Act and rules implemented by the SEC have required changes in corporate governance practices of public companies. As a public company, we expect these rules and regulations to increase our compliance costs and make certain activities more time- consuming and costly. The impact of the SEC' s July 25, 2017 report on Digital Securities (the " DAO Report ") as well as enforcement actions and speeches made by the SEC' s Chairman will increase our compliance and legal costs. As a public company, we also expect that these rules and regulations will make it more difficult and expensive for us to obtain director and officer liability insurance in the future and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our Board or as executive officers, and to maintain insurance at reasonable rates, or at all. Risks Related to our Common Stock Our stock price may be volatile. The market price of our Common Stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following: ● changes in our industry including changes which adversely affect crypto assets; ● adverse regulatory developments such as the recent actions brought by securities regulators on crypto assets activities; ● public announcements and corporate events; ● continued volatility in the price of crypto assets; ● our ability to obtain working capital financing; ● sales of our securities or those of other companies, or of crypto assets, due to external forces such as geopolitical turmoil, inflation, federal interest rate adjustments or other events; ● additions or departures of key personnel including our executive officers; ● sales of our Common Stock; ● exercise of our warrants and the subsequent sale of the underlying Common Stock; ● conversion of our convertible notes and the subsequent sale of the underlying Common Stock; ● our ability to execute our business plan; ● operating results that fall below expectations; ● loss of any strategic relationship; and ● economic and other external factors. In addition, the securities markets have from time- to- time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our Common Stock. As a result, you may be unable to resell your shares at a desired price. While we paid a cash dividend in 2022, and declared a Series V ~~Convertible~~ Preferred stock (" Series V ") dividend in 2023, we do not expect to pay regular or recurring dividends in the future. Any return on investment may be limited to the value of our Common Stock. While we declared and paid a cash dividend (which came with the option to be paid in Bitcoin if elected by the shareholder) payable to holders of our Common Stock as of March 17, 2022, and **distributed** ~~recently declared a planned~~ Series V dividend ~~distribution~~ to shareholders of our Common Stock of record as of ~~March 27~~ **May 12** , 2023 ~~, which has since been delayed due to anticipated changes to the structure, as described elsewhere in this Report~~ , we do not anticipate paying dividends on a regular or recurring basis for the foreseeable future ~~. For information on the risks and uncertainties inherent in the Series V dividend, see the Company' s Current Report on Form 8- K filed on January 31, 2023 disclosing certain risks and uncertainties and other information about the dividend including but not limited to the payment of the Series V dividend~~ . Any future payment of dividends on our Common Stock will depend on earnings, financial condition and other business and economic factors affecting us at such time as our board of directors may consider relevant. If we do not pay dividends, our Common Stock may be less valuable because a return on your investment will only occur if our stock price appreciates. Our articles of incorporation allow for our Board to create new series of preferred stock without further approval by our shareholders, which could adversely affect the rights of the holders of our Common Stock. Our Board has the authority to fix and determine the relative rights and preferences of preferred stock. Our Board also has the authority to issue preferred stock without further shareholder approval. ~~For example, our Board approved the Series V in the first quarter of 2023.~~ As a result, our Board could authorize the issuance of a series of preferred stock that would grant to holders the preferred right to our assets upon liquidation, provide holders of the preferred anti- dilution protection, the right to receive dividend payments before dividends are distributed to the holders of Common Stock and the right to the redemption of the shares, together with a premium, prior to the redemption of our Common Stock **. For example, we issued a total of 14, 542, 803 shares of Series V Preferred Stock in June 2023, which preferred stock comes with a 20 % liquidation preference over our Common Stock and also has certain rights to dividend and distributions at the discretion of the Board** . In addition, our Board could authorize the issuance of a series of preferred stock that has greater voting power than our Common Stock or that is convertible into our Common Stock, which could decrease the relative voting power of our Common Stock or result in dilution to our existing shareholders. Substantial future sales of our Common Stock by us or by our existing shareholders could cause our stock price to fall. Additional equity financings (in addition to the shares issued under the ATM Agreement) or other share issuances by us, including shares issued in connection with strategic alliances and corporate partnering transactions, could adversely affect the market price of our Common Stock. Sales by existing shareholders of a large number of shares of our Common Stock in the public market or the perception that additional sales could occur could cause the market price of our Common Stock to drop. ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK We are a smaller reporting company as defined by Rule 12b- 2 of the Exchange Act and are not required to provide the information under this item. ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA See Item 15 (a) (1) ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE None ITEM 9A. CONTROLS AND PROCEDURES Disclosure Controls and Procedures Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, have evaluated the effectiveness of the Company' s disclosure controls and procedures (as defined in Rules 13a- 15 (e) and 15d- 15 (e) under the Exchange Act) as of December 31, ~~2022~~ **2023** . Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company' s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, management concluded that our disclosure controls and procedures were effective as of December 31, ~~2022~~ **2023** . Management' s Annual Report on Internal Control Over Financial Reporting Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a- 15 (e) and 15d- 15 (e) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined effective could provide only reasonable assurance with respect to financial statement preparation and presentation. Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, ~~2022~~ **2023** , based on the framework in the Internal Control- Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the " 2013 Internal Control- Integrated Framework "). Based on our evaluation under the 2013 Internal Control- Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, ~~2022~~ **2023** . Changes in Internal Control Over Financial Reporting There were no changes in our internal control over financial reporting as defined in Rule 13a- 15 (f) or 15d- 15 (f) under the Exchange Act that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. ITEM 9B. OTHER INFORMATION **On November 14, 2023, our Chief Executive Officer, adopted a Rule 10b5- 1 trading plan, which is intended to satisfy the affirmative defense in Rule 10b5- 1 (c). The trading plan provides for the potential sale of up to an aggregate of 1. 25 million shares of our common stock. The duration of the plan is through October 15, 2024. On December 5, 2023, our Chief Operating Officer, adopted a Rule 10b5- 1 trading plan, which is intended to satisfy the affirmative defense in Rule 10b5- 1 (c). The trading plan provides for the potential sale of up to an aggregate of 750, 000 shares of our common stock. The duration of the plan is through October 15, 2024. No other officers, as defined in Rule 16a- 1 (f), or directors adopted or terminated a " Rule 10b5- 1 trading arrangement " or a " non- Rule 10b5- 1 trading arrangement, " as defined in Regulation S- K Item 408, during the last fiscal quarter.** ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS Not Applicable. PART III ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE The information required by this item is incorporated by reference to our Proxy Statement for the ~~2023~~ **2024** Annual Meeting of Stockholders to be filed with the SEC within 120 days of the year ended December 31, ~~2022~~ **2023** . Our Board has adopted a Code of Ethics applicable to all officers, directors and employees, which is available on our website (http: / / www. btcs. com) under " Corporate Governance. " We intend to satisfy the disclosure requirement under Item 5. 05 of Form 8- K regarding amendment to, or waiver from, a provision of our Code of Ethics and by posting such information on our website at the address and location specified above. ITEM 11. EXECUTIVE COMPENSATION **The information required by this item is incorporated by reference to our Proxy Statement for the 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the year ended December 31, 2023.** ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES PART IV ITEM 15. EXHIBITS (a) Documents filed as part of the report. (1) Financial Statements. See Index to Financial Statements, which appears on page F- 1 hereof. The financial statements listed in the accompanying Index to Financial Statements are filed herewith in response to this Item. (2) Financial Statements Schedules. All schedules are omitted because they are not applicable or because the required information is contained in the financial statements or notes included in this report. (3) Exhibits. See the Exhibit Index. EXHIBIT INDEX **Filed /** Incorporated by Reference Exhibit No. Description ~~Filed /~~ Furnished Herewith Form Exhibit No. Filing Date **1. 1 At- The- Market Offering Agreement, dated September 14, 2021, 2020, by and between BTCS Inc. and H. C. Wainwright & Co., LLC 8- K 1. 1 9 / 14 / 21** 2. 1 Articles of Merger 8- K / A 3. 1 7 / 31 / 15 2. 2 Agreement and Plan of Merger 8- K / A 3. 2 7 / 31 / 15 3. 1 Articles of Incorporation 10- K 3. 1 3 / 31 / 11 3. 1 (a) Amendment No. 1 To Articles of Incorporation 8- K 3. 1 3 / 25 / 13 3. 1 (b)

Amendment No. 2 To Articles of Incorporation 8- K 3. 1 2 / 5 / 14 3. 1 (c) Certificate of Amendment filed February 13, 2017 8- K 3. 1 2 / 16 / 17 3. 1 (d) Amendment No. 3 To Articles of Incorporation 8- K 3. 1 4 / 9 / 19 3. 1 (e) Certificate of Change – Reverse Split 8- K 3. 1 8 / 17 / 21 3. 1 (f) Certificate of Designation – Series V 8- K 3. 1 1 / 31 / 23 3. **1 (g) Certificate of Amendment to the Series V Certificate of Designation 8- K 3. 1 4 / 19 / 23 3. 1 (h) Amendment No. 4 to Articles of Incorporation – Increase Authorized Capital 8- K 3. 1 7 / 13 / 23 3.** 2 Bylaws of TouchIT Technologies, Inc. S- 1 3. 2 5 / 29 / 08 3. 2 (a) Amendment No. 1 to the Bylaws 8- K 3. 1 4 / 12 / 22 4. 1 **BTCS Inc** ~~Convertible Note dated as of September 18, 2019 8- K 4~~ . ~~1 9 / 19 / 19 4. 2 Convertible Note dated as of November 7, 2019 8- K 4. 1 11 / 7 / 19 4. 3 Convertible Note dated as of April 17, 2020 8- K 4. 1 4 / 20 / 20 4. 4 Convertible Note dated as of December 16, 2020 8- K 4. 1 12 / 16 / 204. 5 Convertible Note dated as of January 15, 2021 8- K 4. 1 1 / 22 / 21 4. 6~~ 2021 Equity Incentive Plan **, as amended** (2) **10- Q** ~~DEF 14A Annex A~~ 4 **. 1 8** / ~~25~~ **11** / ~~22~~ **23** 4. ~~6 (a) Amendment No. 1 to the BTCS Inc. 2021 Equity Incentive Plan (~~ 2 ~~) DEF 14A Annex B 4 / 25 / 22 4. 7~~ Description of Securities (1) 10. 1 Employment Agreement- Charles Allen (2) 10- K 10. 8 6 / 23 / 17 10. 1 (a) Amendment to Employment Agreement- Charles Allen (2) 10- K 10. 15 (a) 3 / 23 / 20 10. 2 Employment Agreement- Michael Handerhan (2) 10- K 10. 9 6 / 23 / 17 10. 2 (a) Amendment to Employment Agreement – Michal Handerhan (2) 10- K 10. 16 (a) 3 / 23 / 20 10. 3 Offer Letter – Michael Prevoznik (2) 10- K 10. 4 3 / 11 / 22 10. 4 Offer Letter – Manish Paranjape (~~1) (~~ 2) 10 ~~. 5 Equity Line Purchase Agreement dated as of May 13, 2019 8-~~ K 10. ~~1 5 / 16 / 19 10. 6 Registration Rights Agreement dated as of May 13, 2019 8- K 10. 2 5 / 16 / 19 10. 7 Note Exchange Agreement dated as of September 18, 2019 8- K 10. 1 9 / 19 / 19 10. 8 Side Letter dated as of November 7, 2019 8- K 10. 1 11 / 7 / 19 10. 9 Side Letter with Cavalry Fund I LP dated April 17, 2020 8- K 10. 1~~ 4 ~~/ 20 / 20 10. 10 Side Letter with Cavalry Fund I LP dated December 16, 2020 8- K 10. 1 12 / 16 / 20 10. 11 Form of Subscription Agreement – Series C- 2 Convertible Preferred Stock 8- K 10. 1 1 / 4 / 21 10. 12 Series D Warrant dated as of January 15, 2021 8- K 10. 1 1 / 22 / 21 10. 13 Form of Securities Purchase Agreement, dated March 2, 2021, by and between the Company, the Purchasers, and the Placement Agent * 8- K 10. 1~~ 3 / ~~4~~ **31** / ~~21 10~~ **23 19** . **1 Insider Trading Policy (1)** ~~14 Placement Agent Agreement dated March 2, 2021 by and between the company and A. G. P. / Alliance Global Partners 8- K 10. 2 3 / 4 / 21 10. 15 Common Stock Purchase Warrant dated March 2, 2021, by and between the Company and the Purchasers 8- K 10. 3 3 / 4 / 21~~ 21. 1 List of Subsidiaries (1) 23. 1 Consent of RBSM LLP (1) 31. 1 Certification of the Principal Executive Officer pursuant to Rules 13a- 14 (a) and 15d- 14 (a), as adopted pursuant to Section 302 of the Sarbanes- Oxley Act of 2002 (1) 31. 2 Certification of the Principal Financial Officer pursuant to Rules 13a- 14 (a) and 15d- 14 (a), as adopted pursuant to Section 302 of the Sarbanes- Oxley Act of 2002 (1) Certification of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U. S. C Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002. (3 **) 97. 1 Clawback Policy (1**) 101. INS Inline XBRL Instance Document (1) 101. SCH Inline XBRL Taxonomy Extension Schema (1) 101. CAL Inline XBRL Taxonomy Extension Calculation Linkbase (1) 101. DEF Inline XBRL Taxonomy Extension Definition Linkbase (1) 101. LAB Inline XBRL Taxonomy Extension Label Linkbase (1) 101. PRE Inline XBRL Taxonomy Extension Presentation Linkbase (1) Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101). (1) * Exhibits and / or Schedules have been omitted. The Company hereby agrees to furnish to the SEC upon request any omitted information. (1) Filed herein (2) Indicates a management contract or compensatory plan. (3) Furnished hereinITEM 16. FORM 10- K SUMMARY. Not applicable. SIGNATURES Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March ~~31~~ **21** , ~~2023~~ **2024** . BTCS INC. Date: March ~~31~~ **21** , ~~2023~~ **2024** / s / Charles Allen Charles W. Allen Chief Executive Officer (Principal Executive Officer) Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of BTCS Inc. and in the capacities and on the dates indicated. Signature Title Date / s / Charles Allen Chief Executive Officer March ~~31~~ **21** , ~~2023~~ **2024** Charles W. Allen (Principal Executive Officer) and Chairman of the Board of Directors / s / Michael Prevoznik Chief Financial Officer March ~~31~~ **21** , ~~2023~~ **2024** Michael Prevoznik (Principal Financial Officer and Principal Accounting Officer) / s / Michal Handerhan Director March ~~31~~ **21** , ~~2023~~ **2024** Michal Handerhan / s / Melanie Pump Director March ~~31~~ **21** , ~~2023~~ **2024** Melanie Pump ~~/ s / Carol Van Cleef Director March 31, 2023 Carol Van Cleef~~ / s / Charlie Lee Director March ~~31~~ **21** , ~~2023~~ **2024** Charlie Lee REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM To the Board of Directors and Stockholders of Opinion on the Financial Statements We have audited the accompanying balance sheets of BTCS Inc. (The " Company ") as of December 31, **2023 and** 2022 ~~and 2021~~ and the related statements of operations, stockholders' equity, and cash flows for each of the years in the two- year period ended December 31, ~~2022~~ **2023** , and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, **2023 and** 2022 ~~and 2021~~ , and the results of its operations and its cash flows for each of the years in the two- year period ended December 31, ~~2022~~ **2023** , in conformity with accounting principles generally accepted in the United States of America **. Change in Accounting Principle As discussed in Note 3 to the financial statements, the Company has changed its method of accounting for digital assets (crypto currencies) to fair value, with changes in fair value recognized in net income, effective as of January 1, 2023 due to the adoption of Accounting Standards Update (" ASU ") No. 2023- 08, Intangibles- Goodwill and Other- Crypto Assets (Subtopic 350- 60): Accounting for and Disclosure of Crypto Assets (" ASU 2023- 08 ")** . Basis for Opinion These financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on the Company' s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’ s internal control over financial reporting. Accordingly, we express no such opinion. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion. Critical Audit Matters The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate. ~~Going Concern~~ **Evaluation of audit evidence pertaining to the existence and control of the digital assets** As **discussed** ~~described further~~ in ~~Note~~ **Notes** ~~9~~ **3** to the **consolidated** financial statements, the Company **accounts for** ~~has suffered recurring losses from operations and does not have an established source of revenues sufficient to cover all of~~ its ~~operating costs~~ **digital assets as indefinite- lived intangible assets measured at fair value pursuant to ASU No. 2023- 08** . The **digital assets are recorded at fair value** ~~ability of the Company to ultimately continue as a going concern is dependent on executing business plan and ultimately to attain profitable operations~~ . ~~The~~ **As of December 31, 2023, the fair value of the** Company’ s ~~cash position and liquid Digital~~ **digital** ~~Assets~~ **assets** ~~are sufficient to support its daily operations over the next twelve months based on the cash flow forecasts provided by management. The cash used in operations in 2022~~ was ~~approximately~~ $ **25** ~~800, 000~~ . ~~At December 31, 2022,~~ **2 million. We identified the evaluation of audit evidence pertaining to the existence of the digital assets and whether** the Company **controls the** ~~had approximately $ 1. 8 million of liquid Digital~~ **digital** ~~Assets~~ **assets** ~~(i. e. non- staked) and $ 2. 1 million of cash. During the year ended December 31, 2022, the Company sold a total of 2, 172, 336 shares of Common Stock under the ATM Agreement for aggregate total net proceeds of approximately $ 11, 126, 331. The Company’ s cash position and liquid Digital Assets are sufficient to support its daily operations over the next twelve months. Accordingly, the Company has determined that these factors alleviate the doubt~~ as ~~to the Company’ s ability to continue as a going concern for a period of one year from the issuance of these financial statements. Management may to continue to fund its business by way of public or private offerings of the Company’ s stock or through loans from private investors, in order satisfy the Company’ s business objective for at least one year from the financial statement issuance date. However, the Company has concluded that these plans alleviate the doubt related to its ability to continue as a going concern. We determined the Company’ s ability to continue as a going concern is~~ a critical audit matter ~~due to~~ **. Especially subjective auditor judgment was involved in determining** the ~~estimation~~ **nature** and **extent of evidence required to assess the existence of the digital assets and whether the Company controls the digital assets, as control over the digital assets is provided through stored private cryptographic keys. In addition, information technology (IT) professional with specialized skills and knowledge in IT controls was needed to assist in the evaluation of the sufficiency of** ~~uncertainty~~ ---- **certain** ~~regarding~~ **controls over digital assets. The following are the primary procedures we performed to address this critical audit matter. We evaluated the design of certain internal controls over the digital assets process, including a control over the comparison of** the Company’ s **records** ~~available capital and the risk~~ of **digital assets held to** ~~bias in management’ s judgments and assumptions in their~~ -- **the** ~~determination~~ **information on the representative blockchain via blockchain explorers** . ~~Our audit procedures~~ **This included assessing the controls to prevent unauthorized users from access to the private keys and to prevent the misuse or misappropriation of crypto assets. We involved IT professional with specialized skills and knowledge in IT controls, who assisted in evaluating certain internal controls over the digital assets process,** related **specifically** to **the control of the private cryptographic keys, the storing of these keys, and the reconciliation of digital assets per** the Company’ s ~~assertion~~ **ledgers to the public blockchain. We also compared** on **test basis of** ~~its ability to continue as a going concern included the following, among others: ● We assessed whether~~ the Company’ s ~~determination~~ **record of digital asset transactions to the records on the public blockchain using at least two different blockchain explorers. We performed procedures to establish** that ~~their~~ -- **the Company** ~~alleviation of doubt about its ability to continue as~~ **has controls over the crypto assets** ~~a going concern was adequately disclosed~~ . ~~●~~ We ~~reviewed and~~ evaluated ~~management’ s plans including cash flow projections for alleviating~~ **the reasonableness of the prices utilized by the Company to value digital assets by obtaining independent digital asset prices and comparing** ~~the~~ **those** ~~doubt about going concern~~ **to the prices selected by the Company. We applied auditor judgment in determining the nature and extent of audit evidence required, especially related to assessing the existence of the digital assets and whether the Company controls the digital assets. We evaluated the sufficiency and appropriateness of audit evidence obtained by assessing the results of procedures performed over the digital assets** . / s / RBSM LLP **PCAOB ID 587** We have served as the Company’ s auditor since 2016. Las Vegas, Nevada March ~~31~~ **21** , ~~2023~~ **2024** ~~New York | Washington, DC | California | Nevada China | India | Greece Member of ANTEA International with offices worldwide~~ F- 2 Balance Sheets December 31, ~~2022~~ December 31, ~~2021~~ **2023 2022** Assets: Current assets: Cash **and cash equivalents $ 1, 458, 327** $ 2, 146, 783 ~~$ 1~~ **Stablecoins 21** , **044-** ~~400, 867~~ Crypto assets **302, 783** 982 ~~3~~ **Staked crypto assets 24** , ~~117~~ **900** , ~~360~~ **146 1, 826, 307 Prepaid expenses 62, 461 123, 727 Receivable for capital shares sold 291, 440- Total current assets 27, 036, 201 4, 097, 799 Other assets:** Investments, at value (Cost $ 100, 000) 100, 000 ~~–~~ **100, 000 Property and equipment, net 10, 490 11, 152** Staked crypto assets **- long term-** ~~1, 826, 307 623, 754 Prepaid expense 123, 727 324, 551 Total current assets 4, 197, 799~~ 5, ~~466, 532 Other assets: Property and equipment, net 11, 152 9, 783 Staked crypto assets 5,~~ 708, 624 ~~8, 625, 678~~ Total other assets **110, 490** 5, ~~719~~ **819** , 776 ~~8, 635, 461~~ Total Assets $ **27, 146, 691 $** 9, 917, 575 ~~$ 14, 101, 993~~ Liabilities and Stockholders’ Equity: Accounts payable and accrued ~~expense~~ **expenses $ 55, 058** $ 76, 727 ~~$ 138, 716~~ Accrued compensation **712, 092** 295, 935 ~~7, 334~~ Warrant liabilities 213, 750 ~~1~~ **213** , **750** ~~852, 500~~ Total current liabilities **980, 900** 586, 412 ~~1, 998, 550~~ Stockholders' equity: ~~Common~~ **Preferred** stock **: 20** , **000** ~~97, 500~~ , 000 shares authorized at $ 0. 001 par value ~~, 13, 107,~~ **:-- Series V preferred stock:** ~~149~~ - **14** ~~and 10~~ , ~~528~~ **567** , ~~212~~ **829 and 0** shares issued and outstanding at December 31, **2023 and** 2022 ~~and 2021~~ , respectively **2, 563, 938- Preferred stock value 2, 563, 938- Common stock, 975, 000, 000 shares authorized at $ 0. 001 par value, 15, 320, 281 and** 13, **107, 149 shares issued and outstanding at December 31, 2023 and 2022, respectively 15, 322 13,** 108 ~~10, 529~~ Additional paid in capital **162, 263, 634** 160, 800, 263 ~~147, 682, 384~~ Accumulated deficit (**138, 677, 103) (** 151, 482, 208 ~~)~~ ~~(135, 589, 470~~) Total stockholders' equity **26, 165, 791** 9, 331, 163 ~~12, 103, 443~~ Total Liabilities and Stockholders' Equity $ **27, 146, 691 $** 9, 917, 575 ~~$ 14, 101, 993~~ The accompanying notes are an integral part of these financial statements. 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Statements of Operations **2023** 2022 ~~2021~~ For the Year Ended December 31, **2023** 2022 ~~2021~~ Revenues Validator revenue (net of fees) $ 1, ~~692~~ **339** , ~~454~~ **628** $ 1, ~~213~~ **692** , ~~284~~ **454** Total revenues 1, **339, 628 1,** 692, 454 ~~1, 213, 284~~ Cost of revenues Validator ~~expense~~ **expenses 359, 778** 426, 440 ~~$ 268, 346~~ Gross profit **979, 850** 1, 266, 014 ~~944, 938~~ Operating expenses: General and administrative $ 1, **863,** 916 ~~, 193~~ $ 1, ~~590~~ **916** , ~~707~~ **193** Research and development **687, 288** 611, 758 ~~712, 736~~ Compensation and related expenses **2, 129, 144** 3, 313, 638 ~~15, 583, 258~~ Marketing **12, 153** 78, 171 ~~180, 290~~ Impairment loss on crypto assets **-** 13, 348, 874 ~~3, 845, 899~~ Realized **(** gains **) losses** on crypto asset transactions **604, 269** (506, 757 ~~) (3, 054, 418~~) Total operating expenses **5, 296, 770** 18, 761, 877 ~~18, 858, 472~~ Other income (expenses): ~~Interest expense-~~ **Change in unrealized appreciation** (**depreciation** ~~186, 740~~) ~~Amortization~~ on **crypto assets 12** ~~debt discount- (1~~ , ~~868~~ **135** , ~~059)~~ **648-** Change in fair value of warrant liabilities **-** 1, 638 ~~, 750 3, 918~~ , 750 Distributions to warrant holders **-** (35, 625) ~~-~~ Total other income (expenses) **12, 135, 648** 1, 603, 125 ~~1, 863, 951~~ Net **income (** loss **)** $ **7, 818, 728 $** (15, 892, 738) ~~$ (16, 049, 583) Deemed dividends related to amortization of beneficial conversion feature of Series C- 2 convertible preferred stock- (45, 541) Deemed dividends related to recognition of downround adjustment to conversion amount for Series C- 2 convertible preferred stock- (5, 020, 883)~~ Net **income (** loss ~~attributable to common stockholders $ (15, 892, 738~~) ~~$ (21, 116, 007) Net loss~~ per share attributable to common stockholders, basic and diluted $ **0. 55 $** (1. 25 ~~) $ (3. 09~~) Weighted average number of common shares outstanding, basic and diluted **14, 092, 233** 12, 732, 914 ~~6, 840, 665~~ F- 4

~~Statement~~ **Statements** of Stockholders' Equity For the Years Ended December 31, **2023 and** 2022 ~~and 2021~~ Shares Amount ~~384 $~~ **Capital Deficit Equity Additional Total Stockholders' Common Stock Paid- in Accumulated** (~~135~~ **Deficit) Shares Amount Capital Deficit Equity Balance December 31** , **2021-** ~~589,470) $ 12,103,443 Balance~~ 10,528,212 $ 10,529 $ 147,682,384 $ (135,589,470) $ 12,103,443 Issuance of common stock,net of offering cost / At- the- market offering 2,172,336 2,172 11,124,159- 11,126,331 Stock- based compensation **-** 406,601 407 2,624,863- 2,625,270 Dividend distributions-- (631,143)- (631,143) Net loss--- (15,892,738) (15,892,738) Balance December 31,2022 **-** 13,107,149 $ 13,108 $ 160,800,263 $ (151,482,208) $ 9,331,163 ~~Balance 13,107,149 $ 13,108 $ 160,~~ Shares Amount Shares Amount Capital Deficit Equity Series **V** ~~C- 1 Convertible Series C- 2 Convertible~~ Additional Total ~~Stockholders' Preferred Stock~~ Preferred Stock Common Stock Paid- in Accumulated **Stockholders'** ~~(Deficit) Shares Amount~~ Shares Amount Shares Amount Capital Deficit Equity Balance December 31, ~~2020~~ **2022** ~~29~~ , ~~414~~ **as adjusted-** $ ~~29~~ - **13, 107, 149** $ **13** ~~- 4~~ , **108** ~~201, 035~~ $ ~~4~~ **160** , ~~201~~ **800, 263** $ ~~120~~ **(146** , ~~578~~ **495** , ~~944~~ **831 (1)) (1)** $ **14** ~~(119~~ , ~~539~~ **317** , ~~887~~ **540 (1**) **(1) Balance-** $ **- 13, 107, 149 $ 13, 108 $ 160, 800, 263 $ (146, 495, 831) (** 1 **) $** ~~, 043, 287 Common stock issued including equity commitment fee, net---- 321, 738 322 3, 013, 683- 3, 014~~ - **14** , ~~005~~ **317, 540 (1)** Issuance of common stock, net of offering cost / At- the- market offering-- **1** ~~-- 466~~ , ~~791 467~~ **707, 621 1, 708** 2, ~~831~~ **686** , ~~685~~ **086** - 2, ~~832~~ **687** , ~~152~~ **794** Issuance of ~~common stock and warrants for cash, net---- 950, 000 950 8, 864, 050- 8, 865, 000 Warrant liabilities value related to Issuance of common stock------ (5, 771, 250)- (5, 771, 250) Issuance of~~ Series **V** ~~C- 2 convertible~~ preferred stock ~~-- 1, 100, 000 1, 100, 000---- 1, 100, 000 Conversion of Series C- 1 Convertible Preferred stock (29, 414~~ - **14** ~~) (29)-- 19~~ , **542, 803** ~~609 20 9-- Conversion of Series C-~~ 2 ~~Convertible Preferred stock-- (1~~ , ~~100~~ **559** , **533** ~~000) (6, 216, 289) 4, 011, 766 4, 012 6, 212, 277~~ - - **(** ~~Beneficial conversion features associated with convertible notes payable------ 1, 000, 000- 1, 000, 000 Beneficial conversion feature of Series C-~~ 2 ~~convertible preferred stock--- (129~~ , **559** ~~412)-- 129~~ , **533** ~~412-- Deemed dividends related to amortization of beneficial conversion feature of Series C- 2 convertible preferred stock--- 45, 541-- (45, 541~~)-- ~~Deemed dividends related to recognition of downround adjustment to conversion amount for Series C- 2 convertible preferred stock--- 5, 020, 883-- (5, 020, 883)-- Fractional shares adjusted for reverse split-- 14, 477 15 (15)-- Warrant exercise---- 200, 000 200 399, 800- 400, 000~~ Stock- based compensation **25** ~~---- 342~~ , **026 4** ~~796 342 15~~ , ~~490~~ **405 505** , ~~213- 15~~ **511 506 1** , ~~490~~ **336** , **818** ~~555 Stock~~ - **1** ~~based compensation in connection with issuance of Series C- 2 convertible preferred stock--- 179~~ , **341** ~~277---- 179~~ , ~~277~~ **729** Net **income (** loss ~~------- (16, 049, 583~~) ~~(16~~ **----- 7** , ~~049~~ **818** , ~~583)~~ **728 7, 818, 728** Balance December 31, ~~2021~~ **2023 -- 14, 567, 829** $ ~~--~~ **2, 563, 938 15, 320, 281** $ **15** ~~- 10~~ , **322** ~~528, 212~~ $ ~~10~~ **162** , ~~529~~ **263, 634** $ ~~147~~ **(138** , ~~682~~ **677** , ~~384~~ **103)** $ **26** ~~(135~~ , ~~589~~ **165** , ~~470)~~ **791 Balance 14, 567, 829** $ **2, 563, 938 15, 320, 281 $ 15, 322 $** ~~12~~ **162 , 263, 634 $ (138, 677** , 103 **)** ~~, 443 Additional Total Common Stock Paid- in Accumulated Stockholders' Shares Amount Capital Deficit Equity Balance December 31, 2021 10, 528, 212~~ $ ~~10~~ **26** , ~~529~~ **165, 791 (1) Includes an adjustment to the opening balance of** $ ~~147~~ **4** , ~~682~~ **986** , **377 resulting from a change in accounting principle. See Note 3 for further details.** 384 $ (135, 589,......) $ 9, 331, 163 F- 5

Statements of Cash Flows **2023** 2022 ~~2021~~ For the Year Ended December 31, **2023** 2022 ~~2021~~ Net Cash flows used from operating activities: Net **income (** loss **)** $ **7, 818, 728 $** (15, 892, 738 ~~) $ (16, 049, 583~~) Adjustments to reconcile net loss to net cash used in operating activities: Depreciation expense **5, 033** 4, 039 ~~939 Amortization on debt discount- 1, 868, 059~~ Stock- based compensation **1, 341, 729** 2, 625, 270 ~~15, 490, 555 Stock- based compensation in connection with issuance of Series C- 2 convertible preferred stock- 179, 277~~ Validator revenue (1, **339, 628) (1,** 692, 454 ~~) (1, 213, 284~~) Blockchain network fees (non- cash) **-** 1, 321 ~~-~~ Change in fair value of warrant liabilities **-** (1, 638, 750) **Sale** ~~(3, 918, 750) Purchase~~ of non- productive crypto assets- ~~(5, 761, 550) Sale of non- productive crypto assets~~ 2, 547, 325 ~~4, 274, 491~~ Realized gain on crypto ~~asset~~ **assets** transactions **604, 269** (506, 757) **Change in unrealized** (**appreciation** ~~3, 054, 418~~) **depreciation on crypto assets (12, 135, 648)-** Impairment loss on crypto assets **-** 13, 348, 874 ~~3, 845, 899~~ Changes in operating assets and liabilities: **Stablecoins (21,**

044)- Prepaid expenses and other current assets **61, 266** 200, 824 **Receivable for capital shares sold** (~~292~~ **291** , ~~676~~ **440**) **-** Accounts payable and accrued expenses (**21, 669) (** 62, 332) ~~112, 428~~ Accrued compensation **416, 157** 288, 601 ~~(343, 042)~~ Net cash used in operating activities (**3, 562, 247) (** 776, 777) ~~(4, 861, 655) Net cash~~ **Cash** ~~used in~~ **flows from** investing activities: Purchase of productive crypto assets for validating (**1, 804, 482) (** 9, 453, 024 ~~) (9, 462, 279~~) Sale of productive crypto assets **1, 994, 851** 585, 595 ~~-~~ Purchase of investments **-** (100, 000) ~~-~~ Purchase of property and equipment (5, **276) (5,** 408) **Sale of property and equipment 904-** ~~(10, 491) Net cash used in investing activities (8, 972, 837) (9, 472, 770)~~ Net cash provided by **(used in) investing activities 185, 997 (8, 972, 837) Cash flow from** financing activities: Dividend distributions **-** (630, 801) ~~- Proceeds from exercise of warrants- 400, 000 Proceeds from issuance of Series C- 2 convertible preferred stock- 1, 100, 000 Net proceeds from issuance of convertible notes- 1, 000, 000 Net proceeds from issuance of common stock and warrants for cash- 8, 865, 000 Net proceeds from issuance of common stock- 3, 014, 005~~ Net proceeds from issuance common stock / At- the- market offering **2, 687, 794** 11, 126, 331 ~~2, 832, 152 Payment to convertible notes principle- (2, 000, 000)~~ Net cash provided by financing activities **2, 687, 794** 10, 495, 530 ~~15, 211, 157~~ Net **(decrease) /** increase in cash **(688, 456)** 745, 916 ~~876, 732~~ Cash, beginning of period **2, 146, 783** 1, 400, 867 ~~524, 135~~ Cash, end of period $ **1, 458, 327 $** 2, 146, 783 ~~$ 1, 400, 867~~ Supplemental disclosure of non- cash financing and investing activities: ~~Deemed dividends related to amortization of beneficial conversion feature of~~ Series **V** ~~C- 2 convertible preferred stock $- $ 45, 541 Deemed dividends related to recognition of downround adjustment to conversion amount for Series C- 2 convertible preferred stock $- $ 5, 020, 883 Conversion of Series C- 1~~ Preferred Stock **Distribution** $ ~~- $ 20 Conversion of Series C-~~ 2 ~~Preferred Stock $- $ 6~~ , ~~216~~ **559** , **533** ~~289 Beneficial conversion feature of Series C- 2 convertible preferred stock $- $ 129, 412 Beneficial conversion features associated with convertible notes payable $- $ 1, 000, 000 Dividends payable $-~~ $- F- 6 NOTES TO FINANCIAL STATEMENTS Note 1- Organization and Description of Business and Recent Developments BTCS Inc. (formerly Bitcoin Shop, Inc.), a Nevada corporation (**" BTCS " or** the " Company ") was incorporated in 2008 and is ~~an early entrant~~ **a Nasdaq listed company operating** in the ~~crypto asset market~~ **blockchain technology sector since 2014** with a primary focus on blockchain infrastructure **. Our core focus is on driving scalable growth through a diverse range of business streams leveraging** and ~~staking~~ **built on top of our core and proven blockchain infrastructure operations** . The Company **secures and** operates validator nodes **(as a " Validator ")** on various ~~DPoS and~~ **proof- of- stake ("** PoS **") and delegated proof** - **of- stake (" dPoS ")** based blockchain networks **earning** ~~and stakes the~~ native **token rewards by staking our proof- of- stake** crypto assets **(also referred to " cryptocurrencies ", " crypto ", " crypto assets ", " digital assets ", or " tokens "), with an emphasis** on **Ethereum** ~~those blockchains to earn rewards~~ . The Company' s ~~recently launched StakeSeeker, a comprehensive crypto dashboard and education center designed to empower users to better understand and grow their crypto holdings with innovative portfolio analytics and a~~ non- custodial ~~process to earn staking rewards through the direct participation in blockchain consensus algorithms.~~ Staking- as- a- Service (" StaaS ") **business allows** ~~is a central component of BTCS' s strategy, allowing~~ crypto asset holders to earn **staking** rewards by participating in network consensus mechanisms through staking ~~and~~ **(or "** delegating **")** their crypto assets to ~~Company~~ **BTCS** - operated validator nodes **(or " nodes "). As a non- custodial Validator and StaaS provider, BTCS may charge a validator node fee, typically determined as a percent of the crypto asset rewards earned on crypto assets delegated to its node, creating the opportunity for potential scalable revenue and business growth with limited additional costs** . The Company believes that StaaS provides a more accessible and cost- effective way for crypto asset holders to participate in blockchain ~~networks~~ - **network** ~~'~~ consensus ~~mechanisms~~ , thereby promoting the growth and adoption of blockchain technology **. The Company' s internally- developed " StakeSeeker " platform is a personal finance software and education center with a comprehensive crypto dashboard for crypto asset holders to connect, monitor, track, and analyze their crypto portfolios across exchanges and wallets in a single analytics platform. The StakeSeeker dashboard reads user data from digital wallets and utilizes application programming interfaces (APIs) to read data from crypto exchanges and does not allow for the trading or custody of crypto assets. StakeSeeker' s Stake Hub functions as an educational center, offering users guidance on the delegation of their crypto assets to our non- custodial validator nodes, along with the ability to monitor such delegation activities through data analysis. StakeSeeker does not provide or facilitate direct, asset delegation or transaction execution on our platform. Stake Hub' s primary purpose is to offer instructional support and tracking capabilities. There is no active process for asset delegation through the Stake Hub dashboard; it is primarily a monitoring tool. The StakeSeeker platform is currently free- to- use for registered users so is not currently generating revenue. The Company is not a broker- dealer or an investment advisor and does not provide any such related services. StakeSeeker provides a valuable analytical platform to crypto enthusiasts and strategically seeks to entice users with its cutting- edge features. The underlying strategic objective of the platform is to drive the expansion of Delegators to our validator nodes. The Company anticipates taking the StaaS Platform out of beta prior to the end of 2024. The current functionality allows for crypto asset holders to connect, monitor, track, and analyze their crypto portfolios across exchanges and wallets in a single analytics platform. In the future we may add support for additional blockchains and provide other analytic tools. We are also exploring the feasibility of adding Ethereum non- custodial staking to StakeSeeker in 2024. We anticipate the costs associated with doing so would be in line with our historical research and development costs. The Company has introduced " Builder ", a newly developed Ethereum block builder (" Builder ") that utilizes advanced algorithms to maximize validator earnings by constructing optimized blocks for on- chain validation. Builders actively monitor the Ethereum transaction queue, known as the " mempool ", for pending transactions and strategically reorder them to create ' optimized blocks' containing transactions with the highest fees. Builders pay a fee to increase the chances of their blocks being selected by a validator and, in return, earn the associated crypto transaction fees** . The Company' s business is subject to various risks and uncertainties, including risks associated with the evolving regulatory landscape for crypto assets, risks associated with the volatility of crypto asset prices, and risks associated with the development and adoption of blockchain technology. The Company' s future success is dependent on various factors, including the growth of the crypto asset market, the adoption of blockchain technology, and the Company' s ability to effectively operate and grow its blockchain infrastructure operations and StaaS business. **F** ~~As of the date of the financial statements, the Company had recently launched its StakeSeeker platform, which is currently in beta. The Company plans to expand its PoS operations to secure other disruptive blockchain protocols that also allow for delegating and asset leveraging. The growth of both StakeSeeker' s user base as well as the number and size of staked cryptocurrencies by delegators to Company -~~ **7** ~~run validator nodes are critical to the Company' s strategy and success. Amendment to Articles of Incorporation On August 12, 2021, the Company filed a Certificate of Change with the Nevada Secretary of State to affect a 1- for- 10 reverse split of the Company' s class of Common Stock (the " Reverse Split "). The Certificate of Change became effective on August 13, 2021. No fractional shares were issued in connection with the Reverse Split and all such fractional interests were rounded up to the nearest whole number of shares of Common Stock. The Company now has 97, 500, 000 shares of Common Stock authorized. Numbers of shares of the Company' s preferred stock were not affected by the Reverse Split; however, the conversion ratios have been adjusted to reflect the Reverse Split. The financial statements and notes to the financial statements have been retroactively restated to reflect the Reverse Split.~~ Note 2 ~~- Basis of Presentation The Company maintains its books of account and prepares financial statements in accordance with Generally Accepted Accounting Principles in the United States of America (" U. S. GAAP "). The Company' s fiscal year ends on December 31. F- 7 Note 3~~ - Summary of Significant Accounting Policies Basis of ~~presentation~~ **Presentation** The accompanying financial statements have been prepared in accordance with United States generally accepted accounting principles (" GAAP "). Reclassifications Certain prior period amounts have been reclassified in order to conform with the current period presentation. These reclassifications have no impact on the Company' s previously reported net income (loss). ~~Concentration of~~ Cash **and** ~~The Company maintains cash~~ **Cash Equivalents** ~~balances at four financial institutions in checking accounts and money market accounts.~~ The Company considers all highly liquid investments with original maturities of six months or less when purchased to be cash and cash equivalents. **The Company maintains cash and cash equivalent balances at financial institutions that are insured by the FDIC.** As of December 31, **2023 and** 2022 ~~and 2021~~, the Company had approximately $ **1, 458, 000 and $** 2 **, 147, 000** ~~. 1 million and $ 1. 4 million~~ in cash. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (" FDIC ") up to $ 250, 000. As of December 31, **2023 and** 2022 ~~and 2021~~, the Company had approximately $ **933, 000 and $** 1 **, 682, 000** ~~. 7 million and $ 0. 9 million~~ in excess of the FDIC insured limit, respectively. ~~Revenue Recognition~~ The Company **holds stablecoins** ~~recognizes revenue under Accounting Standards Codification (" ASC ") 606~~, ~~Revenue from Contracts with Customers. The core principle of the new revenue standard is~~ **such as USDT (Tether) and USDC (USD Coin), which are crypto assets** that **are pegged** ~~a company should recognize revenue~~ to ~~depict~~ the ~~transfer~~ **value** of **one U. S. dollar** ~~promised goods or services to customers in an~~ **and can** ~~amount that reflects the consideration to which the Company expects to~~ be ~~entitled in exchange~~ **redeemed on demand** for **one U** ~~those goods or services~~. ~~The following five steps~~ **S. dollar. Our stablecoins** are **typically held** ~~applied to achieve that core principle: ● Step 1: Identify the contract with the customer ● Step 2: Identify the performance obligations~~ in **secure digital wallets** ~~the contract ● Step 3: Determine the transaction price ● Step 4: Allocate the transaction price to the performance obligations in the contract ● Step 5: Recognize revenue when the Company satisfies a performance obligationRevenue is recognized when control of the promised goods~~ or **on crypto asset** ~~services is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange~~ **exchanges** ~~for those goods or services~~. The Company ~~generates revenue through staking rewards~~ **acquires and holds stablecoins primarily to facilitate crypto asset transactions, including, but not limited to, payments to third- party vendors**. The Company **accounts for** ~~has entered into network- based smart contracts by running~~ its **stablecoins** ~~own crypto asset validator nodes (or " nodes ")~~ as ~~well~~ **indefinite- lived intangible assets in accordance with ASC 350, Intangibles – Goodwill and Other. While not accounted for** as **cash** ~~by staking crypto assets on nodes run by third- party operators (either directly~~ or **cash equivalents,** ~~through crypto exchanges). Through~~ these **stablecoins are considered** ~~contracts, the Company provides cryptocurrency to stake on~~ a **liquidity resource** ~~node for the purpose of validating transactions and adding blocks to a respective blockchain network~~. **Fair Value Measurement** ~~The term of a smart contract can vary based on the rules of the respective blockchain and typically last a few weeks to months after it is canceled by the operator and requires that the cryptocurrency staked remain locked up during the duration of the smart contract. In exchange for staking the cryptocurrency and validating transactions on blockchain networks, the Company is entitled to all of the fixed cryptocurrency award for running the Company' s own node and is entitled to a fractional share of the fixed cryptocurrency award a third- party node operator receives (less crypto asset transaction fees payable to the node operator or exchanges, which are immaterial and are recorded as a deduction from revenue), for successfully validating or adding a block to the blockchain.~~ The Company' s ~~fractional share of awards~~ **fair value measurement for its crypto assets is guided by Financial Accounting Standards Board (" FASB ") Accounting Standards Codification (" ASC ") 820, Fair Value Measurement. According to ASC 820, fair value is defined as the price that would be** received ~~from delegating to~~ **for an asset in** a **current sale, assuming an orderly transaction between market participants on the measurement date. It requires the Company to assume that its crypto assets are sold in** ~~third-~~ **their** ~~- party validator node~~ **principal market or, in the absence of a principal market, the most advantageous market. In this context, market participants are considered to be independent, knowledgeable, and willing and able to transact. Kraken has been identified as the principal market for the Company' s crypto assets, serving as the Company' s primary cryptocurrency exchange for both purchases and sales. This determination** is based on ~~the proportion of cryptocurrency the~~ **a comprehensive evaluation process that considers various factors, including regulatory compliance, trading activity, and price stability. The** Company ~~staked to~~ **places significant trust in Kraken' s well- established reliability and robust capabilities. To determine** the ~~node to~~ **fair value of its crypto assets,** the ~~total cryptocurrency staked~~ **Company relies**

primarily on coinmarketcap. com (“ CoinMarketCap ”) as the principal pricing source. The selection of CoinMarketCap is the result of thorough due diligence, which identified it as the most reliable source for consistently obtaining timely and accurate crypto asset price data, covering all the crypto assets held by ~~delegators to~~ the ~~node~~ **Company** . The ~~provision of validating blockchain transactions~~ **real- time pricing from CoinMarketCap** is ~~an output of~~ **notably aligned with the bid / ask quotes observed on** the Company’ s ~~ordinary activities~~ **primary exchange and principal market, Kraken** . **While Kraken is designated as the primary exchange,** ~~Each separate block creation or validation under a smart contract with a network represents a performance obligation. The transaction consideration~~ the Company **maintains** ~~receives-~~ the **flexibility to engage in** cryptocurrency **transactions** ~~award- is a non -~~ **on** ~~- cash consideration, which~~ **other exchanges where it maintains accounts. This flexibility allows** the Company ~~measures at~~ **to adapt to changing market conditions and explore alternative platforms when necessary to ensure cost- effective execution and** fair value ~~on~~ **measurement using** the ~~date received~~ **most advantageous market** . The **determination** ~~fair value~~ of **Kraken as** the **principal market reflects** ~~cryptocurrency award received is determined using~~ the ~~quoted price of the related cryptocurrency on the date of receipt. The satisfaction of the performance obligation for processing and validating blockchain transactions occurs at a point in time when confirmation is received from the network indicating that the validation is complete, and the awards are available for transfer. At that point, revenue is recognized. F- 8 Cost of Revenue The~~ Company’ s **commitment** ~~cost of revenue consists primarily of direct production costs related~~ to **making informed decisions based** ~~the operations of validating transactions~~ on ~~the network~~ **regulatory compliance** , ~~rent~~ **trading activity,** and ~~utilities~~ **price stability and achieving the most accurate representation of fair value** for ~~locations housing server nodes to the extent applicable, hosting costs if cloud- based servers are utilized and fees (including stock- based fees) paid to 3rd parties to assist in software maintenance and operations of~~ its ~~nodes~~ **crypto assets** . **The Company regularly reviews and assesses its choice of principal market to ensure it aligns with its objectives and the evolving landscape of the cryptocurrency market. F- 8 NOTES TO FINANCIAL STATEMENTS Accounting for** Crypto Assets ~~Translations and Remeasurements~~ The **cost basis of the** Company **’ s crypto assets is initially recorded at their fair value using the U. S. dollar spot price of the related crypto asset at 4: 00 p. m., New York time, on the date of receipt (or “ carrying value ”). Crypto assets are measured at their fair respective fair market values at each reporting period end on the balance sheets and classified as either ‘ Staked Crypto Assets’ or ‘ Crypto Assets’ to distinguish their nature within the respective balances. Staked crypto assets are presented as current assets if their lock- up periods are less than 12 months, and as long- term other assets if the lock- up extends beyond one year. The majority of our crypto assets are staked, typically with lock- up periods of less than 21 days, and are considered current assets in accordance with ASC 210- 10- 20, Balance Sheet, due to the Company’ s ability to sell them in a liquid marketplace, as we have a reasonable expectation that they will be realized in cash or sold or consumed during the normal operating cycle of our business to support operations when needed. The classification of purchases and sales in the statements of cash flows is determined based on the nature of the crypto assets, which can be categorized as ‘ productive’ (i. e. acquired for purposes of staking) or ‘ non- productive’ (e. g. bitcoin). Acquisitions of non- productive crypto assets are treated as operating activities, while acquisitions of productive crypto assets are classified as investing activities in accordance with ASC 230- 10- 20, Investing activities. Productive crypto assets staked with lock- up periods of less than 12 months are listed as current assets in the ‘ Staked Crypto Assets’ line item on the balance sheet. Staked crypto assets with lock- up periods exceeding 12 months are categorized as long- term other assets. Non- productive crypto assets are included in the ‘ Crypto Assets’ line item on the balance sheet. Effective January 1, 2023, the Company has elected to early adopt ASU No. 2023- 08, resulting in a material change in accounting principle related to the Company’ s accounting treatment of crypto assets. The impacts of the change in accounting principle are discussed further in Note 3. Prior to the Company’ s adoption of ASU No. 2023- 08, the Company** ~~accounts~~ **accounted** for its crypto assets as indefinite- lived intangible assets in accordance with ASC 350, Intangibles – Goodwill and Other. An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite- lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted. **Prior to** ~~Crypto assets held are included in the balance sheets as either current assets or other assets if they -~~ **the** ~~are staked and locked up for over one year. The~~ Company’ s **adoption** ~~crypto assets are initially recorded at fair value upon receipt (or “ carrying value ”). The fair value~~ of **ASU No** ~~crypto assets is determined using the U~~ . **2023- 08, on** ~~S. dollar spot price of the related crypto asset. On~~ a quarterly basis, crypto assets ~~are~~ **were** measured at carrying value, net of any impairment losses incurred since receipt. The Company ~~will record~~ **recorded** impairment losses as the fair value ~~falls~~ **fell** below the carrying value of the crypto assets at any time during the period, as determined using the lowest **intraday** U. S. dollar spot price of the related crypto asset subsequent to its acquisition. The crypto assets ~~can~~ **could** only be marked down when impaired and not marked up when their value increases. ~~Such impairment in the value of crypto assets is recorded as a component of costs and expenses in our Statements of Operations. The Company recorded impairment losses of approximately $ 13. 3 million and $ 3. 8 million related to crypto assets during the years ended December 31, 2022 and 2021, respectively~~ Impairment losses ~~cannot~~ **could not** be recovered for any subsequent increase in fair value until the sale or disposal of the asset. **Such impairment in the value of crypto assets was recorded as a component of costs and expenses in our statements of operations. The Company recorded impairment losses of approximately $ 0 and $ 13, 349, 000 related to crypto assets during the years ended December 31, 2023 and 2022, respectively.** Realized gain (loss) on sale of crypto assets are included in other income (expense) in the statements of operations. The Company recorded realized gains (losses) on crypto assets of approximately **(** $ ~~0.~~

~~5 million~~ 604, 000) and $ 507, 000 ~~3. 1 million~~ during the years ended December 31, 2023 and 2022 ~~and 2021~~ , respectively. F- 9 Revenue Recognition The ~~presentation~~ Company recognizes revenue under ASC 606, Revenue from Contracts with Customers. The core principle of ~~purchases~~ the new revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in ~~and~~ - an ~~sales~~ amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle: ● Step 1: Identify the contract with the customer ● Step 2: Identify the performance obligations in the contract ● Step 3: Determine the transaction price ● Step 4: Allocate the transaction price to the performance obligations in the contract ● Step 5: Recognize revenue when the Company satisfies a performance obligationRevenue is recognized when control of the promised goods or services is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. The Company generates revenue through staking rewards generated from its blockchain infrastructure operations. The transaction consideration the Company receives- the crypto asset awards and gas fees- are a non- cash consideration, which the Company measures at fair value on the date received. The fair value of the crypto asset award received is determined using the U. S. dollar spot price of the related crypto asset at 4: 00 p. m., New York time, on the date of receipt. Blockchain Infrastructure The Company engages in network- based smart contracts by running its own crypto asset validator nodes as well as by staking (or “ delegating ”) crypto assets directly to both ~~on the Statement of Cash Flows is~~ its ~~determined~~ own validator nodes and nodes run by third- party operators. Through ~~the~~ these ~~nature of~~ contracts, the Company provides crypto assets ~~, which~~ to stake to a node for the purpose of validating transactions and adding blocks to a respective blockchain network. The term of a smart contract can vary based ~~be characterized as productive (i. e. purchased for purposes of staking) or non~~ - on the rules ~~- productive. The purchase~~ of ~~non~~ the respective blockchain and typically last from a few days to several weeks after it is cancelled (or “ un - ~~productive~~ staked ”) by the delegator and requires that the crypto assets staked remain locked up during ~~and currencies are included as an operating activity, whereas~~ the ~~purchase~~ duration of ~~productive~~ the smart contract. In exchange for staking the crypto assets and ~~currencies~~ validating transactions on blockchain networks, the Company is entitled to all of the fixed crypto asset award earned from the network when delegating to the Company’ s own node and is entitled to a fractional share of the fixed crypto asset award a third- party node operator receives (less crypto asset transaction fees payable to the node operator, which are ~~included~~ immaterial and are recorded as ~~investing activities in accordance with ASC 230- 10- 20 Investing activities~~ a deduction from revenue), for successfully validating or adding a block to the blockchain . ~~Productive~~ The Company’ s fractional share of awards received from delegating to a third- party validator node is proportionate to the crypto assets staked by the Company compared to the total crypto assets staked by all Delegators to that ~~are staked~~ node at that time. The provision of validating blockchain transactions is an output of the Company’ s ordinary activities. Each separate block creation or validation under a smart contract with a ~~lock- up period~~ network represents a performance obligation. The satisfaction of ~~less~~ the performance obligation for processing and validating blockchain transactions occurs at a point in time when confirmation is received from the network indicating ~~than~~ that ~~12 months~~ the validation is complete, and the awards are ~~presented~~ available for transfer. At that point, revenue is recognized. F- 10 The following table details the native token rewards and their respective fair market value recognized as revenue during the years ended December 31, 2023. The tables distinguish between token rewards earned from staking to BTCS run Validator nodes as well as delegating to validator nodes operated by unaffiliated third- parties. Crypto assets earned from staking to BTCS validator nodes Schedule Of Crypto Assets Earned From BitCoins FY 2022 FY 2022 FY 2023 FY 2023 Asset Token Rewards Revenue ($ USD) Token Rewards Revenue ($ USD) Ethereum (ETH) 390 $ 768, 992 358 $ 639, 357 Cosmos (Atom) 15, 200 $ 214, 217 43, 268 $ 408, 964 Kava (KAVA) 49, 690 $ 114, 603 53, 435 $ 43, 642 Kusama (KSM) 824 $ 73, 138 820 $ 21, 981 Mina (MINA) 4, 320 $ 2, 594 15, 840 $ 10, 959 Evmos (EVMOS)- $- 89, 591 $ 10, 807 Akash (AKT) 6, 376 $ 1, 459 11, 666 $ 9, 808 Avalanche (Avax) 1, 051 $ 30, 791 664 $ 9, 117 NEAR Protocol (NEAR) 970 $ 1, 512 5, 494 $ 8, 836 Oasis Network (ROSE) 9, 758 $ 533 98, 001 $ 5, 802 Tezos (XTZ) 3, 620 $ 7, 048 2, 413 $ 2, 326 Terra (Luna) 61 $ 5, 401- $- Algorand (Algo) 98 $ 115- $- Total earned from staking to BTCS validator nodes- $ 1, 220, 403 $ 1, 171, 599 Crypto assets earned from staking to third- party validator nodes Schedule of Crypto Assets Earned From Third Party FY 2022 FY 2022 FY 2023 FY 2023 Asset Token Rewards Revenue ($ USD) Token Rewards Revenue ($ USD) Axie Infinity (AXS) 17, 392 $ 385, 101 18, 522 $ 127, 691 Polygon (Matic) 31, 395 $ 27, 826 24, 878 $ 20, 613 Solana (SOL) 407 $ 20, 428 474 $ 11, 592 Polkadot (DOT) 2, 989 $ 35, 658 1, 371 $ 7, 358 Cardano (ADA) 5, 102 $ 3, 038 2, 394 $ 775 Total earned from staking to third- party validator nodes $ 472, 051 $ 168, 029 Total $ 1, 692, 454 $ 1, 339, 628 Cost of Revenue The Company’ s cost of revenue related to its blockchain infrastructure operations primarily includes direct production costs associated with transaction validation on the ~~Balance Sheet~~ network, cloud- based server hosting expenses related to our validator nodes, and allocated employee salaries dedicated to node maintenance and support. Additionally, the cost of revenue encompasses fees, including equity compensation stock- based fees paid to third parties for their assistance in software maintenance and node operations. These costs directly related to production of revenues are collectively summarized as “ Validator expenses ” in ~~current assets. Staked crypto assets with remaining lock- up periods of greater than 12 months are presented as long- term other~~ -- the statements of operations ~~assets on the Balance Sheet~~ . F- ~~9~~ 11 Internally Developed Software Internally developed software consists of the core technology of the Company’ s StakeSeeker ~~Digital Asset Platform~~ platform , which is being designed to allow users to track, monitor and analyze their aggregate cryptocurrency portfolio holdings by connecting their crypto exchanges and digital wallets as well as providing a non- custodial delegation process to earn staking rewards on crypto asset holdings. For internally developed software, the Company uses both its own employees as well as the services of external vendors and independent contractors. The Company accounts for computer software used in the business in accordance with ASC 985- 20 and ASC 350. ASC 985- 20, Software- Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed, requires that software development costs incurred in conjunction with product development be charged to research and development expense until technological feasibility is established. Thereafter, until the product is released for sale, software development costs must be capitalized and reported at the lower of unamortized cost or net realizable value of the related product. Some companies use a " tested working model " approach to establishing technological feasibility (i. e., beta version). Under this approach, software under development will pass the technological feasibility milestone when the Company has completed a version that contains essentially all the functionality and features of the final version and has tested the version to ensure that it works as expected. ASC 350, Intangibles- Goodwill and Other, requires computer software costs associated with internal use software to be charged to operations as incurred until certain capitalization criteria are met. Costs incurred during the preliminary project stage and the post- implementation stages are expensed as incurred. Certain qualifying costs incurred during the application development stage are capitalized as property, equipment and software. These costs generally consist of internal labor during configuration, coding, and testing activities. Capitalization begins when (i) the preliminary project stage is complete, (ii) management with the relevant authority authorizes and commits to the funding of the software project, and (iii) it is probable both that the project will be completed and that the software will be used to perform the function intended. Property and Equipment Property and equipment ~~consists~~ - **consist** of computer, equipment and office furniture and fixtures, all of which are recorded at cost. Depreciation and amortization ~~is~~ **are** recorded using the straight- line method over the respective useful lives of the assets ranging from three to five years. Long- lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of these assets may not be recoverable. Use of Estimates The accompanying financial statements have been prepared in conformity with U. S. GAAP. This requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. The Company' s significant estimates and assumptions include the recoverability and useful lives of indefinite life intangible assets, stock- based compensation, and the valuation allowance related to the Company' s deferred tax assets. Certain of the Company' s estimates, including the carrying amount of the indefinite life intangible assets, could be affected by external conditions, including those unique to the Company and general economic conditions. It is reasonably possible that these external factors could have an effect on the Company' s estimates and could cause actual results to differ from those estimates and assumptions. Income Taxes The Company recognizes income taxes on an accrual basis based on tax positions taken or expected to be taken in its tax returns. A tax position is defined as a position in a previously filed tax return or a position expected to be taken in a future tax filing that is reflected in measuring current or deferred income tax assets and liabilities. Tax positions are recognized only when it is more likely than not (i. e., likelihood of greater than 50 %), based on technical merits, that the position would be sustained upon examination by taxing authorities. Tax positions that meet the more likely than not threshold are measured using a probability- weighted approach as the largest amount of tax benefit that is greater than 50 % likely of being realized upon settlement. Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company' s financial statements or tax returns. A valuation allowance is established to reduce deferred tax assets if all, or some portion, of such assets will more than likely not be realized. Should they occur, the Company' s policy is to classify interest and penalties related to tax positions as income tax expense. Since the Company' s inception, no such interest or penalties have been incurred. F- ~~10~~ **12** Accounting for Warrants The Company accounts for the issuance of Common Stock purchase warrants issued in connection with the equity offerings in accordance with the provisions of ASC 815, Derivatives and Hedging ~~(" ASC 815 ")~~ . The Company classifies as equity any contracts that (i) require physical settlement or net- share settlement or (ii) gives the Company a choice of net- cash settlement or settlement in its own shares (physical settlement or net- share settlement). The Company classifies as assets or liabilities any contracts that (i) require net- cash settlement (including a requirement to net- cash settle the contract if an event occurs and if that event is outside the control of the Company) or (ii) gives the counterparty a choice of net- cash settlement or settlement in shares (physical settlement or net- share settlement). In addition, Under ASC 815, registered Common Stock warrants that require the issuance of registered shares upon exercise and do not expressly preclude an implied right to cash settlement are accounted for as derivative liabilities. The Company classifies these derivative warrant liabilities on the balance ~~sheet~~ **sheets** as a current liability. The Company assessed the classification of Common Stock purchase warrants as of the date of each offering and determined that such instruments originally met the criteria for equity classification; however, as a result of the Company no longer being in control of whether the warrants may be cash settled, the instruments no longer qualify for equity classification. Accordingly, the Company classified the warrants as a liability at their fair value and adjusts the instruments to fair value at each reporting period. This liability is subject to re- measurement at each balance sheet date until the warrants are exercised or expired, and any change in fair value is recognized as " change in the fair value of warrant liabilities " in the statements of operations. The fair value of the warrants has been estimated using a Black- Scholes valuation model (see Note 4). Stock- based ~~compensation~~ **Compensation** The Company accounts for stock- based compensation in accordance with ASC 718 **,** Compensation- Stock Compensation ~~(" ASC 718 ")~~ . ASC 718 addresses all forms of share- based payment awards including shares issued under employee stock purchase plans and stock incentive shares. Under ASC 718 **,** awards result in a cost that is measured at fair value on the awards' grant date, based on the estimated number of awards that are expected to vest and will result in a charge to operations. Share- based payment awards exchanged for services are accounted for at the fair value of the award on the estimated grant date. Options Stock options issued under the Company' s long- term incentive plans are granted with an exercise price equal to no less than the market price of the Company' s stock at the date of grant and expire up to ten years from the date of grant. ~~These options often vest over a one- year period.~~ The Company estimates the fair value of stock option grants using the Black- Scholes option pricing model and the assumptions used in calculating the fair value of stock- based awards represent management' s best estimates and involve inherent uncertainties and the application of management' s judgment. F- ~~11~~ **13** Restricted Stock Units (**"**

RSUs **”**) For awards vesting upon the achievement of a service condition, compensation cost measured on the grant date will be recognized on a straight- line basis over the vesting period. Stock- based compensation expense for the market- based restricted stock units with explicit service conditions is recognized on a straight- line basis over the longer of the derived service period or the explicit service period, regardless of whether the market condition is satisfied. However, in the event that the explicit service period is not met, previously recognized compensation cost would be reversed. Market- based restricted stock units subject to market- based performance targets require achievement of the performance target as well as a service condition in order for these RSUs to vest. The Company estimates the fair value of market- based RSUs as of the grant date and expected derived term using a Monte Carlo simulation that incorporates pricing inputs covering the period from the grant date through the end of the derived service period. **Dividends Effective January 27, 2023, the Company’ s Board of Directors (the “ Board ”) approved the issuance of a newly designated Series V Preferred Stock (“ Series V ”) on a one- for- one basis to the Company’ s shareholders (including restricted stock unit holders and warrant holders who were entitled to such distribution). The distribution of Series V shares was approved and completed on June 2, 2023 to shareholders as of the record date of May 12, 2023. The Series V: (i) is non- convertible, (ii) has a 20 % liquidation preference over the shares of common stock, (iii) is non- voting and (iv) has certain rights to dividends and distributions (at the discretion of the Board). A total of 14, 542, 803 shares of Series V Preferred Stock were distributed to shareholders on June 2, 2023.** On January 5, 2022, the Board ~~of Directors (the “ Board ”) of the Company~~ declared a non- recurring special dividend of $ 0. 05 for each outstanding share of Common Stock of the Company, payable to holders of record as of the close of business on March 17, 2022. The dividend distributions ~~are~~ **were** considered a return of capital as the distributions ~~are~~ **were** in excess of the Company’ s current and accumulated earnings and profits. The return of capital distribution reduces the Company’ s additional paid in capital balance. **Dividend distributions amounted to $ 0 and $ 631, 000 during the years ended December 31, 2023 and 2022, respectively.** The Company will evaluate the appropriateness of potential future dividends as the Company continues to grow its operations ~~. Dividend distributions amounted to $ 631, 000 and $ 0 during the years ended December 31, 2022 and 2021, respectively~~ . Advertising Expense Advertisement costs are expensed as incurred and included in marketing expenses. Advertising and marketing expenses amounted to approximately $ **12, 000 and $** 78 ~~, 000 and $ 180~~ , 000 for the year ended December 31, **2023 and** 2022 ~~and 2021~~ , respectively. Net **Income (** Loss **)** per Share Basic **income (** loss **)** per share is computed by dividing the net income or loss applicable to common shares by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the Company’ s ~~convertible preferred stock, convertible notes,~~ restricted stock units, options and warrants. Diluted loss per share excludes the shares issuable upon the conversion of preferred stock, notes and warrants from the calculation of net loss per share if their effect would be anti- dilutive. The following financial instruments were not included in the diluted loss per share calculation as of December 31, **2023 and** 2022 ~~and 2021~~ because their effect was anti- dilutive: Schedule of Earnings Per Share Anti- diluted **2023** 2022 ~~2021~~ As of December 31, **2023** 2022 ~~2021~~ Warrants to purchase common stock **712, 500** 912, 500 ~~962, 794~~ Options 1, ~~150~~ **200** , 000 1, ~~235~~ **150** , 000 Non- vested restricted stock awards units 1, **606, 373 1,** 590, 553 ~~29, 363~~ Total 3, **518, 873 3,** 653, 053 ~~2~~ **Anti- dilutive securities 3** , ~~227~~ **518** , ~~157~~ **873 3, 653, 053** F- **14** ~~12 Beneficial Conversion Feature of Convertible Notes Payable The Company accounts for convertible notes payable in accordance with the guidelines established by the FASB Accounting Standards Codification (“ ASC ”) Topic 470- 20, Debt with Conversion and Other Options. The beneficial conversion feature of a convertible note is normally characterized as the convertible portion or feature of certain notes payable that provide a rate of conversion that is below market value or in- the- money when issued. The Company records a beneficial conversion feature related to the issuance of a convertible note when issued. The discounted face value is then used to measure the effective conversion price of the note. The effective conversion price and the market price of the Company’ s Common Stock are used to calculate the intrinsic value of the conversion feature. The intrinsic value is recorded in the financial statements as a debt discount from the face amount of the note and such discount is amortized over the expected term of the convertible note (or to the conversion date of the note, if sooner) and is charged to interest expense.~~ Recent Accounting Pronouncements In December ~~2019~~ **2023** , the FASB issued ASU No. ~~2019~~ **2023** - ~~12~~ **08** , **Intangibles — Goodwill and** ~~Income Taxes (Topic 740): Simplifying the~~ **Other — Crypto Assets** ~~Accounting for Income Taxes~~ (**Subtopic 350** ~~“ ASU 2019~~ - **60** ~~12 ”~~), which is intended to **improve the** ~~simplify various aspects related to~~ accounting for **and disclosure of crypto assets. The ASU requires entities to subsequently measure crypto assets that meet specific criteria at fair value, with changes recognized in net** income ~~taxes~~ **each reporting period** . **The** ASU ~~2019- 12 removes certain exceptions to the general principles in Topic 740 and~~ also ~~clarifies~~ **the requires specific presentation of cash receipts arising from crypto assets that are received as noncash consideration in the ordinary course of business** and **are converted nearly immediately into cash. The** ~~amends~~ **amendments in** ~~existing guidance to improve consistent application. This~~ **this** ~~guidance is~~ **update are** effective **for all entities** for fiscal years ~~, and interim periods within those fiscal years,~~ beginning after December 15, ~~2020~~ **2024** , with early adoption permitted. The Company adopted ASU No. ~~2019~~ **2023** - ~~12~~ **08** effective January 1, ~~2021~~ **2023** , **which had** ~~and the adoption did not have~~ a material impact ~~on~~ **to** its financial ~~statements~~ **statement** and related disclosures ~~. In August 2020, the FASB issued ASU No. 2020- 06, Debt — Debt with Conversion and Other Options (Subtopic 470- 20) and Derivatives and Hedging — Contracts in Entity’ s Own Equity (Subtopic 815- 40): Accounting for Convertible Instruments and Contracts in an Entity’ s Own Equity~~ , which ~~simplifies accounting for convertible instruments by removing major separation models required under current U. S. GAAP. The ASU removes certain settlement conditions that~~ are **further discussed** ~~required for equity contracts to qualify for the derivative scope exception and it also simplifies the diluted earnings per share calculation~~ in **Note 3** ~~certain areas. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021, with early adoption permitted. The Company adopted ASU No. 2020- 06 effective January 1, 2022, and the adoption did not have a material impact on its financial statements and related disclosures~~ . Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company' s present or future financial statements. **Note 3- Changes in Accounting Principle Effective January 1, 2023, the Company has elected to early adopt ASU No. 2023- 08, resulting in a material change in accounting principle related to the Company' s accounting treatment of crypto assets. As a result of the adoption of ASU No. 2023- 08, crypto assets are recorded at their fair market value on its balance sheet and changes in the fair market value of its crypto assets during reporting periods are recorded within its statements of operations as unrealized appreciation (depreciation). Prior to adopting ASU No. 2023- 08, crypto assets were accounted for as intangible assets with an indefinite life in accordance with ASC 350, Intangibles – Goodwill and Other, carrying them at their impaired value and recognizing impairment losses during reporting periods. Adoption of the fair market value guidance contained within ASU No. 2023- 08 eliminates the need to calculate impairment losses on crypto assets for the year of adoption and moving forward. The Company elected to early adopt the guidance contained with ASU No. 2023- 08 as we believe that the specified changes in financial reporting better reflect the economic realities of the Company' s business model and the value of the crypto assets held, enhancing the transparency and accuracy of the financial statements. The adoption of ASU No. 2023- 08 required an adjustment to the Company' s opening Retained Earnings balance as of January 1, 2023, to recognize the cumulative effect of initially applying the change in accounting principle to previous periods. The adjustment accounts for the difference between the December 31, 2022 ending book value of crypto assets and their respective fair market value, which amounted to approximately $ 4, 986, 000.** F- ~~13~~ **15** Note 4 **– Crypto Assets The following table presents the Company' s crypto assets held as of December 31, 2023: Schedule of Crypto Assets HeldAsset Tokens Cost Fair Market Value Ethereum (ETH) 7, 815 $ 8, 862, 438 $ 17, 829, 264 Cosmos (Atom) 270, 098 4, 843, 231 2, 860, 870 Solana (SOL) 7, 845 535, 109 796, 327 Avalanche (Avax) 17, 842 1, 129, 281 687, 713 Axie Infinity (AXS) 60, 552 1, 913, 988 535, 546 Polygon (Matic) 506, 010 848, 606 491, 138 Oasis Network (ROSE) 2, 647, 629 157, 541 363, 571 Kusama (KSM) 7, 313 1, 427, 083 329, 353 Kava (KAVA) 345, 394 1, 089, 300 301, 429 NEAR Protocol (NEAR) 80, 267 162, 780 293, 204 Akash (AKT) 119, 071 46, 156 291, 574 Cardano (ADA) 265, 254 402, 901 157, 615 Mina (MINA) 90, 017 63, 539 122, 007 Polkadot (DOT) 8, 650 139, 711 70, 879 Evmos (EVMOS) 345, 777 97, 404 43, 886 Tezos (XTZ) 26, 174 73, 318 26, 379 Band Protocol (BAND) 992 1, 500 2, 174 Total- $ 21, 793, 886 $ 25, 202, 929 The following table presents a rollforward of the Company' s crypto asset activities for the years ended December 31, 2023 and 2022: Schedule of Crypto Asset Activities December 31, 2021- Book Value $ 12, 365, 472 Purchases of crypto assets 9, 453, 024 Rewards earned from staking 1, 692, 454 Sales of crypto assets (3, 132, 920) Realized gains on sale of crypto assets 506, 757 Impairment loss (13, 348, 874) December 31, 2022- Book Value $ 7, 535, 913 Opening adjustment for change in accounting principle 4, 986, 377 Purchases of crypto assets 1, 804, 482 Rewards earned from staking 1, 339, 628 Sales of crypto assets (1, 994, 851) Realized gains on sale of crypto assets 147, 295 Realized losses on sale of crypto assets (751, 563) Change in unrealized appreciation (depreciation) of crypto assets 12, 135, 648 December 31, 2023- Fair Market Value $ 25, 202, 929 F- 16 Note 5** - Fair Value of Financial Assets and Liabilities The Company measures certain assets and liabilities at fair value. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability (**i. e.,** an **'** exit price **'**) in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement: Level 1 ~~-~~ **– Valuations based on** ~~Unadjusted~~ **unadjusted** quoted prices in active markets **for identical, unrestricted assets or liabilities** that are accessible at the measurement date ~~for identical~~ **. Since valuations are based on quoted prices that are readily and regularly available in an active market** , ~~unrestricted assets or liabilities~~ **these valuations do not entail a significant degree of judgment** . Level 2 ~~-~~ **– Valuations based on** ~~Observable~~ **observable** inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 3 ~~-~~ **– Valuations based on** ~~Inputs~~ **inputs** that are generally unobservable and typically reflect management' s estimate of assumptions that market participants would use in pricing the asset or liability. Financial instruments, including cash and cash equivalents, accounts and other receivables, accounts payable and accrued liabilities are carried at cost, which management believes approximates fair value due to the short- term nature of these instruments. The following tables present the Company' s assets and liabilities that are measured at fair value on a recurring basis and the Company' s estimated level within the fair value hierarchy of those assets and liabilities as of December 31, **2023 and** 2022 ~~and 2021~~ : Schedule of Fair Value of Assets and Liabilities Valued on Recurring Basis Fair ~~value~~ **Value** ~~measured~~ **Measured at December 31, 2023 Total at December 31, Quoted prices in active markets Significant other observable inputs Significant unobservable inputs 2023 (Level 1) (Level 2) (Level 3) Assets Crypto Assets $ 25, 202, 929 $ 25, 202, 929 $- $- Investments 100, 000-- 100, 000 Total Assets $ 25, 302, 929 $ 25, 202, 929 $- $ 100, 000 Liabilities Warrant Liabilities $ 213, 750 $- $- $ 213, 750 Fair Value Measured** at December 31, 2022 Total at December 31, Quoted prices in active markets Significant other observable inputs Significant unobservable inputs 2022 (Level 1) (Level 2) (Level 3) Assets Investments $ 100, 000 $- $- $ 100, 000 Liabilities Warrant Liabilities $ 213, 750 $- $- $ 213, 750 ~~Fair value measured at December 31, 2021 Total at December 31, Quoted prices in active markets Significant other observable inputs Significant unobservable inputs 2021 (Level 1) (Level 2) (Level 3) Assets Investments $- $- $- $- Liabilities Warrant Liabilities $ 1, 852, 500 $- $- $ 1, 852, 500~~ The Company did not make any transfers between the levels of the fair value hierarchy during the years ended December 31, **2023 and** 2022 ~~and 2021~~ . **F- 17** The following table sets forth a summary of the changes in the fair value of the Company' s Level 3 financial assets and liabilities for the years ended December 31, **2023 and** 2022 ~~and 2021~~ , that are measured at fair value on a recurring basis: Schedule of Changes in Fair Value and Other Adjustments of Warrants Fair ~~value~~

Value of Level 3 ~~financial~~ **Financial** ~~assets~~ **Assets** December 31, December 31, **2023** 2022 ~~2021~~ Beginning balance $ ~~-~~ **100, 000** $- Purchases **-** 100, 000 ~~-~~ Unrealized appreciation (depreciation)-- Ending balance $ 100, 000 $ ~~-~~ **100, 000** Fair ~~value~~ **Value** of Level 3 ~~financial~~ **Financial** ~~liabilities~~ **Liabilities** December 31, December 31, **2023** 2022 ~~2021~~ Beginning balance $ **213, 750 $** 1, 852, 500 ~~$-~~ Warrant liabilities classification- **-** ~~5, 771, 250~~ Fair value adjustment of warrant liabilities **-** (1, 638 ~~, 750) (3, 918~~ , 750) Ending balance $ 213, 750 $ ~~1~~ **213** , **750** ~~852, 500~~ F- ~~14~~ **18** Level 3 Valuation Techniques Level 3 financial assets consist of private equity investments for which there is no current public market for these securities such that the determination of fair value requires significant judgment or estimation. As of December 31, ~~2022~~ **2023** , the Company' s Level 3 investments were carried at original cost of the investments, with a value of $ 100, 000. The Company has elected to apply the measurement alternative under ASC 321, Investments — Equity Securities, for these investments. Level 3 financial liabilities consist of the warrant liabilities for which there is no current market for these securities such that the determination of fair value requires significant judgment or estimation. Changes in fair value measurements categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate. A significant decrease in the volatility or a significant decrease in the Company' s stock price, in isolation, would result in a significantly lower fair value measurement. Changes in the values of the warrant liabilities are recorded in " change in fair value of warrant liabilities " in the Company' s statements of operations. On March 2, 2021, the Company entered into a securities purchase agreement (the " Offering ") with certain purchasers pursuant to which the Company agreed to sell an aggregate of (i) 950, 000 shares of Common Stock, and (ii) Common Stock warrants (the " Warrants ") to purchase up to 712, 500 shares of Common Stock for gross proceeds of $ 9. 5 million in a private placement. The closing of the Offering occurred on March 4, 2021. The Warrants require, at the option of the holder, a net- cash settlement following certain fundamental transactions (as defined in the Warrants) at the Company. At the time of issuance, the Company maintained control of certain fundamental transactions and as such the Warrants were initially classified in equity. As of December 31, ~~2022~~ **2023** , the Company no longer maintained control of certain fundamental transactions as they did not control a majority of shareholder votes. As such, the Company may be required to cash settle the Warrants if a fundamental transaction occurs which is outside the Company' s control. Accordingly, the Warrants are classified as liabilities. The Warrants have been recorded at their fair value using the Black- Scholes valuation model, and will be recorded at their respective fair value at each subsequent balance sheet date. This model incorporates transaction details such as the Company' s stock price, contractual terms, maturity, risk- free rates, as well as volatility. The Warrants require the issuance of registered shares upon exercise, do not expressly preclude an implied right to cash settlement and are therefore accounted for as derivative liabilities. The Company classifies these derivative warrant liabilities on the balance ~~sheet~~ **sheets** as a current liability. A summary of quantitative information with respect to the valuation methodology and significant unobservable inputs used for the Company' s warrant liabilities that are categorized within Level 3 of the fair value hierarchy as of December 31, **2023 and** 2022 ~~and 2021~~ , is as follows: ~~F- 15~~ Summary of Valuation Methodology and Significant Unobservable Inputs Warrant Liabilities December 31, ~~2022~~ **2023** December 31, ~~2021~~ **2022** Risk- free rate of interest **4. 23 %** 3. 99 ~~% 1. 26~~ % Expected volatility **102. 81 %** 152. 84 ~~% 162. 53~~ % Expected life (in years) **2. 18** 3 ~~. 18 4~~ . 18 Expected dividend yield-- The risk- free interest rate was based on rates established by the Federal Reserve Bank. For the Warrants, the Company estimates expected volatility giving primary consideration to the historical volatility of its Common Stock. The general expected volatility is based on the standard deviation of the Company' s underlying stock price' s daily logarithmic returns. The expected life of the warrants was determined by the expiration date of the warrants. The expected dividend yield was based on the fact that the Company has not historically paid dividends on its Common Stock and does not expect to pay recurring dividends on its Common Stock in the future. **F- 19** Note ~~5~~ **6** - Stockholders' Equity (Deficit) ~~Preferred Stock Series C- 2 Preferred Stock~~ The ~~company~~ **Company** ~~is~~ **received shareholder approval on July 11, 2023 to amend our Articles of Incorporation to increase the number of** authorized ~~to issue 20~~ **shares of common stock from 97** , ~~000~~ **500** , 000 shares **to 975** ~~of $ 0. 001 par value preferred stock. This preferred stock may be issued in one or more series~~ , **000** ~~and shall have such designations~~ , **000** ~~preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as shall be determined at the time of issuance by the Company' s Board of Directors without further action by the Company' s shareholders. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company without further action by shareholders and could adversely affect the rights and powers, including voting rights, of the holders of Common Stock. In certain circumstances, the issuance of preferred stock could depress the market price of the Common Stock~~ . On **July** ~~January 1, 2021, members of the Company' s management subscribed for 110, 000 shares of the Company' s Series C- 2 Convertible Preferred Stock (the " Series C- 2 "), for a total of $ 1, 100, 000 at $ 10. 00 per Share of Series C- 2. The Company obtained an independent valuation of the Series C- 2 and $ 179, 277 of compensation expense was recognized, representing the difference between the fair value and the proceeds received. F- 16 The Series C- 2 is not mandatorily redeemable and is not unconditionally redeemable. The Series C- 2 is callable by the Company. The Certificate of Designation required that the Company, within 180 days of the Initial Issuance Date, call a special meeting of stockholders seeking shareholder ratification of the issuance of the Series C- 2. If the ratification of the issuance was not approved prior to the twelve- month anniversary of the Initial Issuance Date (the " Vote Deadline "), the Series C- 2 would be redeemed at a price equal to 107 % of (i) the Stated Value per share plus (ii) all unpaid dividends thereon. Provided; further, if the Company had filed a proxy with the SEC prior to the Vote Deadline but was unable to conduct a vote prior to the Vote Deadline then the Vote Deadline would have been extended until such time as the vote was conducted. The Series C- 2 holders were not entitled to vote on the ratification. The call provision would have been automatically triggered if the ratification of the issuance was not approved in a special meeting of stockholders prior to the twelve- month anniversary of the Initial Issuance Date. The Company held the meeting within the required period and the Series C- 2 is no longer redeemable. Based on the guidance in ASC 480- 10- S99 (" ASR 268 "), a redeemable equity instrument is not to be included in permanent equity. Rather, it should be reported between long- term debt and stockholders' equity, without a subtotal that might imply it is a part of stockholders' equity (i. e., "~~

~~temporary equity " or " mezzanine capital "). ASR 268 specifies that redeemable stock is any type of equity security, including common or preferred stock, when it has any condition for redemption which is not solely within the control of the issuer without regard to probability. The Series C- 2 Certificate of Designation required the Company to redeem the Series C- 2 if stockholder approval was not received by the Vote Deadline. Stockholder approval was not considered to be " solely within the Company' s control. " Stockholder approval occurred on March 31, 2021, at which time the Series C- 2 was no longer callable by the Company. As such, the Series C- 2 was initially classified in temporary equity under ASR 268 and was reclassified to permanent equity upon stockholder approval on March 31, 2021. The holders of Series C- 2 shall be entitled to receive dividends or distributions on each share of Series C- 2 on an " as- converted basis " into Common Stock when and if dividends are declared on the Common Stock by the Board of Directors. Dividends shall be paid in cash or property, as determined by the Board of Directors. At any time or times on or after the two- year anniversary of the Initial Issuance Date, each Holder shall be entitled to convert any portion of the outstanding Series C- 2 held by such Holder into validly issued, fully- paid and non- assessable shares of Common at the Conversion Rate. The Conversion Amount is subject to adjustment for certain capitalization and Anti- Dilution Events. The Series C- 2 will automatically be converted at the earlier of: (i) the four- year anniversary of the Initial Issuance Date, and (ii) simultaneously with the Company' s Common Stock being listed on a national securities exchange. The Conversion Rate is based upon the Conversion Price of $ 1. 70 which resulted in a beneficial conversion feature at the time of issuance. As such, the Company recognized a beneficial conversion amount of $ 129~~ **12** , ~~412 as a reduction to the carrying amount of the convertible instrument. This discount will be amortized as a dividend over two years, the earliest conversion date. Upon the conversion of Series C- 2 into Common Stock on September 14, 2021~~ **2023** ~~, the total amortization of the beneficial conversion feature is $ 45, 541 and the remaining discount is netted against additional paid in capital. The Conversion Amount may be adjusted due to certain Anti- Dilution Events. If at any time after the Initial Issuance Date, the Company raises capital equal to or in excess of $ 5 million by issuing Common Stock or Common Stock Equivalents then the Anti- Dilution Amount per share of Series C- 2 shall be the product of: (i) 0. 0000004, and (ii) the aggregate amount of all capital raised by the Company after the Initial Issuance Date (the " Capital Raised "). Provided; further, for the determination of the Anti- Dilution Amount, the amount of Capital Raised shall be limited to $ 13 million, regardless of how much capital the Company raises. In the event capital is raised simultaneous with a listing on a national securities exchange and the automatic conversion of the Series C- 2 then such funds shall be included in the Capital Raised for the purpose of determining the Anti- Dilution Amount. As of September 30, 2021, over $ 13 million of capital was raised and the adjustment to the Conversion Amount was fully triggered. The Company recognized the effect of the down- round protection when capital raises occur as the difference between: (1) the financial instrument' s fair value (without the down round feature) using the pre- trigger exercise price, and (2) the financial instrument' s fair value (without the down round feature) using the reduced exercise price. The value of the effect of the down round feature of $ 5, 020, 883 was treated as a dividend and a reduction to income available to common shareholders in the basic EPS calculation. On September 14, 2021, the Series C- 2 was converted into 4, 011, 766 shares of Common Stock. F- 17 Reverse Stock Split On August 25, 2021, the Company issued approximately 14, 500 shares of Common Stock in connection with the 1- for- 10 Reverse Split resulting from the rounding up of fractional shares of Common Stock to the whole shares of Common Stock. The financial statements have been retroactively restated to reflect the reverse stock split. Issuance of Shares Pursuant to Equity Line of Credit Purchase Agreement On January 28, 2021~~ , the Company filed a **Certificate of Amendment** ~~fourth Registration Statement on Form S- 1 seeking~~ to ~~register 400~~ **the Articles of Incorporation to effectuate the increase of our authorized shares of common stock to 975** , 000 ~~shares. The fourth Registration Statement was declared effective by the SEC on February 1, 2021. During the year ended December 31, 2021, the Company sold 321, 738 shares (inclusive of approximately 17, 590 pro- rata commitment shares) available for sale under the fourth Registration Statement for total proceeds of approximately $ 3, 015, 000. Issuance of Shares Pursuant to Registered Direct Offering On March 4, 2021, the Company entered into a securities purchase agreement (the " RD Purchase Agreement ") with institutional investors, pursuant to which the Company sold and issued, in a registered direct offering, 950, 000 shares of the Company' s Common Stock, at a purchase price per share of $ 10. 00 and immediately exercisable five- year warrants to purchase 712, 500 shares of Common Stock at an exercise price of $ 11. 50 per share. Gross proceeds from the Offering were $ 9. 5 million. Net proceeds were $ 8. 9 million after deducting placement agent fees and other offering expenses paid for by the Company. The RD Purchase Agreement contains representations, warranties, indemnifications and other provisions customary for transactions of this nature. Pursuant to the RD Purchase Agreement, subject to limited exceptions, each of the Company and its officers and directors agreed not to, and not to publicly disclose the intention to, sell or otherwise dispose of, any shares of Common Stock or any securities convertible into, or exchangeable or exercisable for, Common Stock, for a period ending 60 days after the date of the prospectus supplement for this offering. The Company also entered into a placement agent agreement with A. G. P. / Alliance Global Partners (" AGP "), pursuant to which AGP agreed to serve as the exclusive placement agent for the Company in connection with that offering. The Company paid AGP a cash placement fee equal to 7. 0 % of the aggregate gross proceeds raised in the offering (reduced to 3. 5 % for certain investors) and reimbursed the placement agent for its legal fees and other accountable expenses in the amount of $ 40~~ , 000. At The Market Offering Agreement On September 14, 2021, the Company entered into an At- The- Market Offering Agreement (the " ATM Agreement ") with H. C. Wainwright & Co., LLC, as agent (" H. C. Wainwright "), pursuant to which the Company may offer and sell, from time- to- time through H. C. Wainwright, shares of the Company' s Common Stock having an aggregate offering price of up to $ 98, 767, 500 (the " Shares "). The Company will pay H. C. Wainwright a commission rate equal to 3. 0 % of the aggregate gross proceeds from each sale of Shares. ~~F- 18~~ During the year ended December 31, ~~2021~~ **2023** , the Company sold a total of ~~466~~ **1** , ~~791~~ **707, 621** shares of Common Stock under the ATM Agreement for aggregate total gross proceeds of approximately $ 2, ~~979~~ **790** , 000 at an average selling price of $ ~~6~~ **1** . ~~38~~ **63** per share, resulting in net proceeds of approximately $ 2, ~~832~~ **688** , 000 after deducting commissions and other transaction costs. During the year ended December 31, 2022, the Company sold a total of 2, 172, 336 shares of Common Stock under the ATM Agreement for aggregate total gross proceeds of approximately $ 11, 487, 000 at an average selling price of $ 5. 29 per share, resulting in net proceeds of approximately $ 11, 126, 000 after deducting commissions and other transaction costs. ~~Issuance of Shares~~ - **Share Based Payments Effective** ~~Pursuant to Cash Exercise of Series C Warrants On~~ January ~~15~~ **19** , ~~2021~~ **2023** , **The Board approved** the ~~Company~~ **issuance of $ 50, 000 of common stock to each independent director. The shares will be** issued ~~200~~ **in four equal installments ($ 12** , ~~000~~ **500 each) at the end of each calendar quarter beginning March 31st, subject to continued service on each applicable issuance date. The number of** shares **issuable will be based on the closing price** of the Company' s ~~Common~~ **common** ~~Stock to Cavalry upon the exercise of all their Series C warrants and payment of the exercise amount of $ 400, 000. Cavalry and the Company entered into an agreement whereby Cavalry would exercise early for cash provided that the Company register the underlying shares of Common Stock within 30 days of exercise. Issuance of Shares Due to Conversion of Series C- 1 Preferred Stock On March 30, 2021, the Company issued 19, 609 shares of Common Stock upon the conversion of 29, 414 shares of Series C- 1 Convertible Preferred~~ stock **on** ~~. After this conversion, there~~ -- **the last trading day prior** ~~were no Series C- 1 shares outstanding, so the Company filed a Certificate of Withdrawal with the Secretary of State of the State of Nevada. The Certificate of Withdrawal eliminated from the Articles of Incorporation of the Company all matters set forth in the Series C- 1. Issuance of Shares Due~~ to ~~Conversion of Series C- 2 Preferred Stock On September 14, 2021,~~ the **end** ~~Series C- 2 was converted into 4, 011, 766 shares~~ of ~~Common Stock. Please refer to~~ the ~~discussion below~~ **applicable calendar quarter** . **For** ~~Issuance of Restricted Stock to Service Providers During~~ the year ended December 31, ~~2021~~ **2023 , 122, 124 shares of common stock were issued to independent directors. For the years ended December 31, 2023 and 2022, 354, 713 and 284, 722 shares of common stock were issued to officers related to payment of accrued bonus compensation, respectively. Issuance of Restricted Stock to Service Providers During the year ended December 31, 2022** , the Company issued to ~~four~~ **one** service ~~providers~~ - **provider** a total of approximately ~~52~~ **12** , ~~800~~ **500** shares of restricted Common Stock, representing a total fair value of $ **59** ~~0. 6 million. During the year ended December 31~~ , **000. F- 20 Preferred Stock Effective January 27,** ~~2022~~ **2023** , **the Board approved the issuance of a newly designated Series V Preferred Stock (" Series V ") on a one- for- one basis to** the Company ~~issued to~~ **' s shareholders (including restricted stock unit holders and warrant holders). The distribution of Series V shares was approved and completed** ~~one~~ - **on** ~~service provider~~ **June 2, 2023 to shareholders as of the record date of May 12, 2023. The Series V: (i) is non- convertible, (ii) has** a **20 % liquidation preference over the shares of common stock, (iii) is non- voting and (iv) has certain rights to dividends and distributions (at the discretion of the Board). A** total of **14** ~~approximately 12~~ , ~~500~~ **542, 803** shares of ~~restricted Common~~ **Series V Preferred** Stock **were distributed to shareholders on June 2** , ~~representing a total~~ **2023. The Series V is listed to trade on Upstream, the trading app for digital securities and NFTs powered by Horizon Fintex and MERJ Exchange Limited, under the ticker symbol BTCSP. The** fair value of **the Preferred stock as of the record date, May 12, 2023, amounted to approximately** $ ~~59~~ **2, 560** , 000 **. The Company used a probability valuation model to determine the fair value of the preferred stock** . Equity Incentive Plan The Company' s 2021 Equity Incentive Plan (the " 2021 Plan ") was effective on January 1, 2021 and approved by shareholders on March 31, 2021 and amended on June 13, 2022. The Company ~~has reserved~~ **received shareholder approval on July 11, 2023 to increase the authorized amount under the 2021 Plan from** 7, 000, 000 shares ~~of Common Stock for issuance pursuant~~ to **12** ~~the 2021 Plan. F- 19 On January 1, 2021, the Board of Directors of the Company approved the grant of 1. 2 million stock options with an exercise price of $ 1. 90 under the Company' s 2021 Plan to Messrs. David Garrity a director, and Charles Allen and Michal Handerhan, executive officers and directors of the Company. Effective as of January 1, 2021, the Company and each optionee executed Stock Option Agreements evidencing the option grants. While stockholder approval (or ratification) of the grants was not required (under either the Stock Option Agreements or by the resolutions of the Board of Directors approving such grants), the Board of Directors voluntarily caused the Company to seek shareholder ratification of the grants to limit any potential exposure to breach of fiduciary duty claims. As a result, based on the guidance in ASC 718, the date the stockholders ratified the grants (March 31, 2021) is the deemed grant date solely with respect to GAAP for those stock options. Of the stock options: (i) 480~~ , 000 ~~options will vest on January 1, 2022 and (ii) the remaining options vested (prior to March 31, 2021) based upon the Company' s stock price meeting certain milestones. On April 1, 2021, the Company granted 35~~ , 000 ~~stock options with an exercise price of $ 10. 30 to Charles~~ - **shares** ~~B. Lee and Carol Van Cleef, directors of the Company. Of the stock options: (i) 14, 000 options will vest on April 1, 2022 and (ii) the remaining 21, 000 options vest based upon the Company' s stock price meeting certain milestones~~ . During the year ended December 31, ~~2022~~ **2023** , the Company granted ~~50~~ **85** , 000 stock options with a weighted average exercise price of $ 1. **29 to non- executive employees. During the year ended December 31, 2022, the Company granted 50, 000 stock options with a weighted average exercise price of $ 1.** 51 to non- executive employees. The following weighted- average assumptions were used to estimate the fair value of options granted on the deemed grant date during the ~~year~~ **years** ended December 31, **2023 and** 2022 ~~and 2021~~ for ~~both~~ the Black- Scholes formula ~~and the Monte- Carlo simulation, applicable to 2021 options granted~~ : ~~Summary~~ **Schedule** of Weighted- ~~average~~ **Average** Assumptions Used to Estimate Fair Value Year Ended December 31, **2023** 2022 ~~2021~~ Exercise price $ 1. **29 $ 1.** 51 ~~$ 2. 14~~ Term (years) 5. 00 ~~2~~ **5** . **00** ~~50- 3. 30~~ Expected stock price volatility **151. 32 %** 165. **79** ~~8 % 185. 9~~ % Risk- free rate of interest **3. 97 %** 2. 77 ~~% 0. 34~~ % Expected Volatility: The Company uses historical volatility as it provides a reasonable estimate of the expected volatility. Historical volatility is based on the most recent volatility of the stock price over a period of time equivalent to the expected term of the option. Risk- Free Interest Rate: The risk- free interest rate is based on the U. S. treasury zero- coupon yield curve in effect at the time of grant for the expected term of the option. Expected Term: The Company' s expected term represents the weighted- average period that the Company' s stock options are expected to be outstanding. The expected term is based on the expected time to post- vesting exercise of options by employees. The Company uses historical exercise patterns of previously granted options to derive employee behavioral patterns used to forecast expected exercise patterns. ~~For awards vesting upon the achievement of the market conditions which were met at the date of grant, compensation cost measured on the date of grant was immediately recognized.~~

~~For awards vesting upon the achievement of the market conditions which were not met at the date of grant, compensation cost measured on the grant date will be recognized on a straight- line basis over the vesting period based on estimation using a Monte- Carlo simulation. F- 20~~ A summary of options activity under the Company' s stock option plan for the ~~year~~ **years** ended December 31, **2023 and** 2022 ~~is~~ **are** presented below: Summary of Option Activity Number of Shares Weighted Average Exercise Price Total Intrinsic Value Weighted Average Remaining Contractual Life (in years) Outstanding as of December 31, 2021 1, 235, 000 $ 2. 14 $ 1, 488, 000 4. 0 Employee options granted 50, 000 1. 51- 1. 4 Employee options expired (100, 000) 1. 90-- Employee options forfeited (35, 000) 1. 50-- Outstanding as of December 31, 2022 1, 150, 000 $ 2. 15 $- 3. 3 Options vested and exercisable as of December 31, 2022 1, 135, 000 $ 2. 16 $- 3. 3 **Number of Shares Weighted Average Exercise Price Total Intrinsic Value Weighted Average Remaining Contractual Life (in years) Outstanding as of December 31, 2022 1, 150, 000 $ 2. 15 $- 3. 3 Employee options granted 85, 000 1. 29- 5. 0 Employee options forfeited (35, 000) 1. 02 11, 100- Outstanding as of December 31, 2023 1, 200, 000 $ 2. 12 $ 8, 700 2. 4 Options vested and exercisable as of December 31, 2023 1, 145, 000 $ 2. 15 $- 2. 3 F- 21** On ~~January 1~~ **February 22** , ~~2021~~ **2022** , ~~the Board of Directors of~~ the Company ~~approved 275~~ **granted 45** , ~~000~~ **767** restricted stock ~~unit~~ **units to** ~~grants under~~ the Company' s **Chief Technology** ~~2021 Equity Incentive Plan to Messrs. David Garrity, a former director, and Charles Allen and Michal Handerhan, executive officers~~ **Officer** ~~and directors of the Company. Effective as of January 1, 2021, the Company and each recipient executed a Restricted Stock Agreement evidencing the stock grants. While stockholder approval (or ratification) of the grants was not required (under either the Restricted Stock Agreements or by the resolutions of the Board of Directors approving such grants), the Board of Directors voluntarily caused the Company to seek shareholder ratification of the grants to limit any potential exposure to breach of fiduciary duty claims. As a result, based on the guidance in ASC 718, the date the stockholders ratified the grants (March 31, 2021) is the deemed grant date solely with respect to GAAP for those restricted stock grants~~ . The restricted stock units **are to** vest ~~when~~ **over a five- year period as follows: 20 % of** the ~~Company lists its Common~~ **45, 767 restricted** ~~Stock~~ **stock units vested** on ~~a national securities exchange~~ **January 1, 2023, and the remaining 80 % are to vest annually over the following four years with vesting occurring on December 31st of each respective year. The grant date fair value of restricted stock units was approximately $ 200, 000. Effective January 2, 2022, the Board ratified grants of RSUs to each independent director. David Garrity, Carol Van Cleef and Charles Lee were each granted 95, 544 restricted stock units (the " 2022 Board Grants "). The 2022 Board Grants vest in four equal installments at the end of each calendar quarter in 2022** . As of December 31, ~~2021~~ **2022** , all ~~275~~ **95** , ~~000~~ **544 of the** restricted stock units vested with a total fair value of approximately $ **300** ~~2. 8 million. The cost of stock- based compensation for restricted stock units is measured based on the closing fair market value of the Company' s Common Stock at the deemed grant date and was recorded on the September 14, 2021 vesting date when the listing occurred. On April 1, 2021, the Company granted a total of 15~~ , 000 ~~restricted stock units to two non- employee directors of the Company~~ . ~~The restricted stock units vest when the Company lists its Common Stock on a national securities exchange. As of December 31, 2021, all 15, 000 restricted stock units vested with a total fair value of approximately $ 0. 2 million. The cost of stock- based compensation for restricted stock units is measured based on the closing fair market value of the Company' s Common Stock at the deemed grant date and was recorded on the September 14, 2021 vesting date when the listing occurred. On June 28, 2021, the Company granted 50, 781 restricted stock units to the Company' s then Chief Financial Officer. The restricted stock units were to vest over a five- year period as follows: 20 % of the 50, 781 restricted stock units were to vest on the one- year anniversary of the grant date, and the remaining 80 % were to vest monthly over the following four years with vesting occurring on the last day of each respective month. On November 30, 2021, this Chief Financial Officer resigned. The 50, 781 restricted stock units granted to this Chief Financial Officer were forfeited accordingly. On December 1, 2021, the Company granted 29, 363 restricted stock units to the Company' s current Chief Financial Officer. The restricted stock units are to vest over a five- year period as follows: 20 % of the 29, 363 restricted stock units are to vest on the one- year anniversary of the grant date, and the remaining 80 % are to vest annually over the following four years with vesting occurring on December 31st of each respective year. The grant date fair value of restricted stock units was approximately $ 0. 2 million. As of December 31, 2022, 5, 873 of the restricted stock units vested with a total fair value of approximately $ 35, 000. On February 22, 2022, the Company granted 45, 767 restricted stock units to the Company' s Chief Technology Officer. The restricted stock units are to vest over a five- year period as follows: 20 % of the 45, 767 restricted stock units are to vest on January 1, 2023, and the remaining 80 % are to vest annually over the following four years with vesting occurring on December 31st of each respective year. The grant date fair value of restricted stock units was approximately $ 0. 2 million. F- 21~~ Effective January 2, 2022, the Board **, as** ~~of Directors of the Company ratified the following arrangements~~ approved by its Compensation Committee **,** ~~: The Board of Directors of the Company~~ ratified grants of RSUs to ~~each independent director. David Garrity, Carol Van Cleef and Charles Lee were each granted 95, 544 restricted stock units (~~ the ~~" Board Grants "). The Board Grants vest in four equal installments at the end of each calendar quarter in 2022. As of December 31, 2022, all 95, 544 of the restricted stock units vested with a total fair value of approximately $ 0. 3 million. The~~ Company' s executive officers ~~were granted RSUs~~ as part of a long- term incentive (" LTI ") plan, with vesting terms set for when the Company' s market capitalization reaches and sustains a market capitalization for 30 consecutive days above four defined market capitalization thresholds of $ 100 million, $ 150 million, $ 200 million and $ 400 million. ~~On December 9, 2022, upon recommendation of the Compensation Committee of the Board of Directors approved an amendment to the LTI plan, whereby the market capitalization threshold targets were lowered to $ 50 million, $ 100 million, $ 150 million, and $ 300 million, effective January 1, 2023.~~ Effective February 22, 2022, upon appointment of Manish Paranjape as Chief Technology Officer of the Company, Mr. Paranjape was also granted RSUs as part of the LTI plan, with consistent vesting terms set for when the Company' s market capitalization above the same four defined market capitalization thresholds **. Effective January 1, 2023 (the " LTI RSU Amendment Date "), upon recommendation of the Compensation Committee of the Board approved an amendment to the LTI plan, whereby the market capitalization threshold targets were lowered to $ 50 million, $ 100 million, $ 150 million, and $ 300 million** . The

RSUs granted to each executive employee are as follows: Schedule of Restricted Stock Units Total ~~RSUs~~ Market Cap Vesting Thresholds Officer Name Title Grant Date **RSUs** Granted $ 50 million $ 100 million $ 150 million $ 300 million Charles Allen Chief Executive Officer 1 / 2 / 2022 694, 444 173, 611 173, 611 173, 611 173, 611 Michal Handerhan Chief Operations Officer 1 / 2 / 2022 444, 444 111, 111 111, 111 111, 111 111, 111 Michael Prevoznik Chief Financial Officer 1 / 2 / 2022 222, 224 55, 556 55, 556 55, 556 55, 556 Manish Paranjape Chief Technology Officer 2 / 22 / 2022 160, 184 40, 046 40, 046 40, 046 40, 046 1, 521, 296 380, 324 380, 324 380, 324 380, 324 To the extent any market capitalization targets set forth above for Mr. Prevoznik and Mr. Paranjape are achieved, the RSUs will also be subject to the following five- year vesting schedule: 20 % of the LTI RSUs which have met a market capitalization criteria will vest on the one- year anniversary of the grant date, and the remaining 80 % of the LTI RSUs which have met a market capitalization criteria will vest annually on each subsequent calendar year- end date over the four years following the one year anniversary of the grant date. F- 22 **As of the LTI RSU Amendment Date, the Company determined the pre- modification and post- modification estimated fair value of the LTI RSUs accounting for the amended market cap criteria. The increase in fair value of the LTI RSUs attributable to the modification was valued to be approximately $ 83, 000 and added to the related unrecognized compensation expense in accordance with ASC 718 – Share- Based Compensation, whereby any previously recognized compensation cost that has not vested as of the modification date should be adjusted to reflect the new fair value of the equity awards on the date of the modification.** The following weighted- average assumptions were used to estimate the fair value of options granted during the ~~year~~ **years** ended December 31, **2023 and** 2022 ~~and 2021~~ for the Monte- Carlo simulation: **Valuation Dates January 1, 2023 (Modification) January 2** ~~Schedule of Weighted- Average Assumptions Used to Estimate Fair Value Year Ended December 31~~ , 2022 ~~2021~~ **(Original Issuance)** Vesting Hurdle Price $ ~~19~~ **3** . ~~39~~ **81** - **$ 30. 52 $ 8. 07- $ 36. 99** Term (years) **4. 00** 5. 00 ~~–~~ Expected stock price volatility **97. 30 %** 103. ~~7~~ **72** % ~~–~~ Risk- free rate of interest **4. 10 %** 1. 32 % ~~–~~ Expected Volatility: The Company uses historical volatility as it provides a reasonable estimate of the expected volatility. Historical volatility is based on the most recent volatility of the stock price over a period of time equivalent to the expected term of the RSUs. Risk- Free Interest Rate: The risk- free interest rate is based on the U. S. treasury zero- coupon yield curve in effect at the time of grant for the expected term of the RSUs. Expected Term: The Company' s expected term represents the weighted- average period that the Company' s RSUs are expected to be outstanding. The expected term is based on the stipulated 5- year period from the grant date until the market- based criteria are achieved. If the market- based criteria are not achieved within the five- year period from the grant date, the RSUs will not vest and shall expire. Vesting Hurdle Price: The vesting hurdle prices are determined by taking the vesting Market Cap criteria divided by the shares outstanding as of the valuation dates. Effective September 30, 2022, Mr. David Garrity resigned as a director of BTCS, Inc. The Board ~~of Directors of the Company~~ agreed to fully vest Mr. Garrity' s remaining unvested restricted stock units (7, 962 shares) and pay Mr. Garrity approximately $ 5, 600, which represents the remaining **unpaid** 2022 director fees **as of the date of resignation** . On October 1, 2022, the Company granted a total of 7, 962 restricted stock units to Melanie Pump, a non- employee director of the Company, which vested on December 31, ~~2022~~ **2023** with a total fair value of approximately $ 12, 000 **. On December 9, 2022, upon recommendation of the Compensation Committee, the Board of Directors approved the grant of 25, 000 RSUs to Mr. Prevoznik and Mr. Paranjape each, effective January 1, 2023, which vest annually over a five- year period with the first vesting date being on the one- year anniversary of the execution date of the effective grant date, subject to continued employment on each applicable vesting date. The fair value of the RSUs on the grant date was approximately $ 16, 000, each** . A summary of the Company' s restricted stock units granted under the 2021 Plan during the ~~year~~ **years** ended December 31, **2023 and** 2022 are as follows: Summary of Restricted Stock Number of Restricted Stock Units Weighted Average Grant ~~Day~~ **Date** Fair Value Nonvested at December 31, ~~2021~~ **2022** 29, 363 $ 5. 96 Granted 1, 670, 569 3. 28 Vested (109, 379) 2. 29 ~~Forfeited – –~~ Nonvested at December 31, 2022 1, 590, 553 $ 3. ~~39~~ **34 Granted 50, 000 0. 63 Vested (34, 180) 3. 55 Nonvested at December 31, 2023 1, 606, 373 $ 3. 25** F- 23 Stock- based ~~Compensation Stock- based~~ compensation ~~expense~~ **expenses** ~~is~~ **are** recorded as a part of selling, general and administrative expenses, compensation expenses and cost of revenues. Stock- based compensation ~~expense~~ **expenses** for the years ended December 31, **2023 and** 2022 **were** ~~and 2021 was~~ as follows: Schedule of Stock- based Compensation Expense **2023** 2022 ~~2021~~ For the Year Ended December 31, **2023** 2022 ~~2021~~ Employee bonus stock awards $ ~~894~~ **675** , ~~027~~ **061** $ ~~–~~ **1, 152, 525** Employee stock option awards **11, 726** 97, 142 ~~11, 932, 409~~ Employee restricted stock unit awards **956, 526** 1, 575, 475 ~~2, 993, 146~~ Non- employee restricted stock awards **195, 784** 225, 207 ~~352, 640 Series C- 2 Allocation- 179, 277~~ Stock- based compensation $ ~~2~~ **1** , ~~791~~ **839** , ~~851~~ **097** $ ~~15~~ **3** , ~~457~~ **050** , ~~472~~ **349** Stock Purchase Warrants The following is a summary of warrant activity for the years ended December 31, **2023 and** 2022 ~~and 2021~~ : Summary of Warrant Activity Number of Warrants Outstanding as of December 31, ~~2020~~ **2021** ~~250~~ **962** , ~~323 Issuance~~ **794 Expiration** of ~~Series C Warrants~~ **warrants** ~~200, 000 Warrants exercise for cash~~ (~~200, 000) Issuance of Warrants pursuant to Registered Direct Offering 712, 500 -~~ **50,** ~~Fractional shares adjusted for reverse split (29~~ **294**) Outstanding as of December 31, ~~2021~~ **2022** ~~962~~ **912** , ~~794~~ **500** Expiration of warrants (~~50~~ **200** , ~~294~~ **000**) Outstanding as of December 31, ~~2022~~ **2023** ~~912~~ **712** , 500 F- 24 Note ~~6~~ **7** – Executive Compensation Employment Agreements Charles W. Allen – Chief Executive Officer and Director On June 22, 2017, we entered into an employment agreement with Charles Allen (the " Allen Employment Agreement "), whereby Mr. Allen agreed to serve as our Chief Executive Officer and Chief Financial Officer for a period of two (2) years, subject to renewal, in consideration for an annual salary of $ 245, 000. Additionally, under the terms of the Allen Employment Agreement, Mr. Allen shall be eligible for an annual bonus if we meet certain criteria, as established by the Board ~~of Directors~~ . Mr. Allen shall be entitled to participate in all benefits plans we provide to our senior executives. We shall reimburse Mr. Allen for all reasonable expenses incurred in the course of his employment. The Company shall pay the Executive $ 500 per month to cover telephone and internet expenses. If the Company does not provide office space to the Executive the Company will pay the Executive an additional $ 500 per month to cover expenses in connection with their office space needs. On February 6, 2019 we amended the Allen Employment Agreement whereby the annual salary was increased to $ 345, 000 per year effective January 1, 2019, subject to a 4. 5 % annual increase each subsequent year to adjust for inflation. All other terms of the Allen Employment Agreement remained unchanged including the Annual Increase. For the year ended December 31, ~~2022~~ **2023** , Mr. Allen' s annual base salary was $ ~~393~~ **411** , ~~702~~ **419** . On June 24, 2022, as a part of its cost- cutting measures, Charles Allen agreed to forfeit $ 25, 000 of his annual base salary for 2022. The forfeiture in 2022 does not alter or amend current employment agreements, or any calculations based on those agreements. Michal Handerhan – Chief Operating Officer and Director On June 22, 2017, we entered into an employment agreement with Michal Handerhan (the " Handerhan Employment Agreement "), whereby Mr. Handerhan agreed to serve as our Chief Operating Officer and Secretary for a period of two (2) years, subject to renewal, in consideration for an annual salary of $ 190, 000. Additionally, under the terms of the Handerhan Employment Agreement, Mr. Handerhan shall be eligible for an annual bonus if we meet certain criteria, as established by the Board ~~of Directors~~ . Mr. Handerhan shall be entitled to participate in all benefits plans we provide to our senior executives. We shall reimburse Mr. Handerhan for all reasonable expenses incurred in the course of his employment. The Company shall pay the Executive $ 500 per month to cover telephone and internet expenses. If the Company does not provide office space to the Executive the Company will pay the Executive an additional $ 500 per month to cover expenses in connection with their office space needs. On February 6, 2019 we amended the Handerhan Employment Agreement whereby the annual salary was increased to $ 215, 000 per year effective on January 1, 2019, subject to a 4. 5 % annual increase each subsequent year to adjust for inflation. All other terms of the Handerhan Employment Agreement remained unchanged **,** including the Annual Increase. On January 19, 2022, the Board ~~of Directors~~ approved a salary increase for Michael Handerhan **to $ 275, 000,** effective January 1, 2022. For the year ended December 31, ~~2022~~ **2023** Mr. Handerhan' s annual base salary was $ ~~275~~ **287** , ~~000~~ **375** . On June 24, 2022, as a part of its cost- cutting measures, Michal Handerhan agreed to each forfeit $ 25, 000 of his annual base salary for 2022. The forfeiture in 2022 does not alter or amend current employment agreements, or any calculations based on those agreements. **F- 25** Michael Prevoznik – Chief Financial Officer On December 1, 2021 we entered into an employment agreement with Michael Prevoznik (the " Prevoznik Employment Agreement "), whereby Mr. Prevoznik agreed to serve as our Chief Financial Officer in consideration for an annual salary of $ 175, 000. Additionally, under the terms of the Prevoznik Employment Agreement, Mr. Prevoznik shall be eligible for an annual bonus if we meet certain criteria, as established by the Board ~~of Directors~~ . Mr. Prevoznik shall be entitled to participate in all benefits plans we provide to our senior executives. We shall reimburse Mr. Prevoznik for all reasonable expenses incurred in the course of his employment. The Company shall pay the Executive $ 500 per month to cover telephone and internet expenses. If the Company does not provide office space to the Executive the Company will pay the Executive an additional $ 500 per month to cover expenses in connection with their office space needs. On June 1, 2022, the Board ~~of Directors~~ approved a salary increase for Michael Prevoznik **to $ 225, 000,** effective June 1, 2022 **. On December 9, 2022, upon recommendation of the Compensation Committee of the Board approved a 4. 5 % inflationary increase in Mr. Prevoznik' s annual base salary, effective January 1, 2023. On January 12, 2024, upon recommendation of the Compensation Committee of the Board approved a 4. 5 % inflationary increase in Mr. Prevoznik' s annual base salary, effective January 1, 2024** . For the year ended December 31, ~~2022~~ **2023** Mr. Prevoznik' s annual base salary was $ ~~225~~ **235** , **125** ~~000. On December 9, 2022, upon recommendation of the Compensation Committee of the Board of Directors approved a 4. 5 % inflationary increase in Mr. Prevoznik' s annual base salary, effective January 1, 2023~~ . Manish Paranjape – Chief Technology Officer On February 22, 2022 we entered into an employment agreement with Manish Paranjape (the " Paranjape Employment Agreement "), whereby Mr. Paranjape agreed to serve as our Chief Technology Officer in consideration for an annual salary of $ 225, 000. Additionally, under the terms of the Paranjape Employment Agreement, Mr. Paranjape shall be eligible for an annual bonus if we meet certain criteria, as established by the Board ~~of Directors~~ . Mr. Paranjape shall be entitled to participate in all benefits plans we provide to our senior executives. We shall reimburse Mr. Paranjape for all reasonable expenses incurred in the course of his employment. The Company shall pay the Executive $ 500 per month to cover telephone and internet expenses. If the Company does not provide office space to the Executive the Company will pay the Executive an additional $ 500 per month to cover expenses in connection with their office space needs. On December 9, 2022, upon recommendation of the Compensation Committee of the Board ~~of Directors~~ approved a 4. 5 % inflationary increase in Mr. Paranjape' s annual base salary, effective January 1, 2023. **On January 12, 2024, upon recommendation of the Compensation Committee of the Board approved a 4. 5 % inflationary increase in Mr. Paranjape' s annual base salary, effective January 1, 2024.** F- ~~25~~ **26** Termination / Severance Provisions The terms of the Allen Employment Agreement and Handerhan Employment Agreement (collectively the " Employment Agreements ") provide each of Messrs. Allen and Handerhan (the " Executives ") certain, severance and change of control benefits if the Executive resigns from the Company for good reason or the Company terminates him other than for cause. In such circumstances, the Executive would be entitled to a lump sum payment equal to (i) the Executive' s then- current base salary, and (ii) payment on a pro- rated basis of any bonus or other payments earned in connection with any bonus plan to which the Executive was a participant. In addition, the severance benefit for the Executives the employment agreements include the Company continuing to pay for medical and life insurance coverage for up to one year following termination. If, within eighteen months following a change of control (as defined below), the Executive' s employment is terminated by the Company without cause or he resigns from the Company for good reason, the Executive will receive certain severance compensation. In such circumstances, the cash benefit to the Executive will be a lump sum payment equal to two times (i) his then- current base salary and (ii) his prior year cash bonus and incentive compensation. Upon the occurrence of a change of control, irrespective of whether his employment with the Company terminates, each Executive' s stock options and equity- based awards will immediately vest. A " change of control " for purposes of the Employment Agreements means any of the following: (i) the sale or partial sale of the Company to an un- affiliated person or entity or group of un- affiliated persons or entities pursuant to which such party or parties acquire shares of capital stock of the Company representing at least twenty five (25 %) of the fully diluted capital stock (including warrants, convertible notes, and preferred stock on an as converted basis) of the Company; (ii) the sale of the Company to an un- affiliated person or entity or group of such persons or entities pursuant to which such party or parties acquire all or substantially all of the Company' s assets determined on a consolidated basis, or (iii) Incumbent Directors (Mr. Allen and Mr. Handerhan) cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board ~~of Directors~~ of the Company. Additionally, pursuant to the terms of the Employment Agreements, we have entered into an indemnification agreement with each executive officer. **Clawback Policy On November 17, 2023, our Board adopted a clawback policy in accordance with the rules of the Nasdaq Stock Exchange, to recoup " excess " incentive compensation, if any, earned by current and former executive officers during a three year look back period in the event of a financial restatement due to material noncompliance with any financial reporting requirement under the securities laws (with no fault required). Bonuses** Bonuses On January 2, 2022, Charles Allen, the Company' s Chief Executive Officer, was awarded 173, 611 fully- vested shares of Common Stock and Michal Handerhan, the Company' s Chief Operating Officer, was awarded 111, 111 fully- vested shares of Common Stock granted under the 2021 Equity Incentive Plan (the " Plan ") as equity bonuses. On May 12, 2022, the Compensation Committee of the Board ~~of Directors~~ of the Company approved a performance based Annual Cash Incentive Plan (" ACIP ") for the Company' s executives for fiscal year 2022 whereby if an executive meets their performance milestones, the executive will receive a bonus in amount up to 48 % to 107 % of the applicable executive' s base salary. **F- 27** On December 9, 2022, upon recommendation of the Compensation Committee, the Board ~~of Directors~~ approved an annual performance payout in the aggregate amount of $ 278, 498, to be paid in stock and cash in the closing price of the Company' s common stock on January 1, 2023 as follows: Schedule of Annual Performance Layout For the Year Ended December 31, 2022 Charles Allen- CEO 104, 987 Michal Handerhan- COO 82, 500 Michael Prevoznik- CFO 45, 000 Manish Paranjape- CTO 46, 011 Total Performance Bonuses Earned 278, 498 **Bonuses On May 11, 2023, the Compensation Committee of the Board of the Company approved a performance based Annual Cash Incentive Plan (" ACIP ") for the Company' s executives for fiscal year 2023 whereby if an executive meets their performance milestones, the executive will receive a bonus in amount up to 64 % to 128 % of the applicable executive' s base salary. On December 29, 2023, upon recommendation of the Compensation Committee, the Board approved an annual performance payout in the aggregate amount of $ 705, 061, to be paid in stock and cash in the closing price of the Company' s common stock on January 1, 2023 as follows: For the Year Ended December 31, 2023 Charles Allen- CEO 354, 849 Michal Handerhan- COO 151, 164 Michael Prevoznik- CFO 101, 399 Manish Paranjape- CTO 97, 649 Total Performance Bonuses Earned 705, 061** F- ~~26~~ **28** Note ~~7~~ **8** – Accrued ~~Compensation~~ **Expenses** As of December 31, **2023 and** 2022 ~~and 2021~~, the Company had accrued expenses consisting of the following: Schedule of Accrued ~~Compensation~~ **Expenses** December 31, ~~2022~~ **2023** December 31, ~~2021~~ **2022 Accrued** ~~Compensation~~ **compensation** ~~and related expenses~~ **$ 712, 092** $ 295, 935 ~~$ 9, 178~~ Accounts ~~Payable~~ **payable and accrued expenses 55, 058** 76, 727 ~~51, 191 Other- 1, 860, 177~~ Accrued Expenses $ **767, 150 $** 372, 662 ~~$ 1, 920, 547~~ Accrued compensation and related expenses include approximately $ **710, 000 and $** 284, 000 ~~and~~ related to performance bonus accruals as of December 31, **2023 and** 2022 ~~and 2021~~, respectively. Note ~~8~~ **9** – Employee Benefit Plans The Company maintains defined contribution benefit plans under Section 401 (k) of the Internal Revenue Code covering substantially all qualified employees of the Company (the " 401 (k) Plan "). Under the 401 (k) Plan, the Company may make discretionary contributions of up to 100 % of employee contributions. For the years ended December 31, **2023 and** 2022 ~~and 2021~~, the Company made contributions to the 401 (k) Plan of $ **95, 000 and $** 45, 000 ~~and $ 39, 000~~, respectively. Note ~~9~~ **10** – Liquidity The Company follows " Presentation of Financial Statements — Going Concern (Subtopic 205- 40): Disclosure of Uncertainties about an Entity' s Ability to Continue as a Going Concern ". The Company' s financial statements have been prepared assuming that it will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business. As reflected in the financial statements, the Company has historically incurred a net loss and has an accumulated deficit **of approximately $ 138, 677, 000** at December 31, ~~2022~~ **2023** , ~~a net loss~~ and net cash used in operating activities **of approximately $ 3, 562, 000** for the reporting period then ended. The Company is implementing its business plan and generating revenue; however, the Company' s cash position and liquid crypto assets are sufficient to support its daily operations over the next twelve months. The Company has sustained recurring losses and negative cash flows from operations. Over the past year, the Company' s growth has been funded through the sale of common stock equity. As of December 31, ~~2022~~ **2023** , the Company had approximately $ ~~2.~~ 1 ~~million~~ **, 458, 000** of unrestricted cash. However, historically the Company has experienced and may continue to experience negative operating margins and negative cash flows from operations, as well as an ongoing requirement for additional capital investment. The Company expects that it will need to raise additional capital to accomplish its business plan over the next several years. The Company expects to seek ~~to obtain~~ additional funding through debt or equity financing. There can be no assurance as to the availability or terms upon which such financing and capital might be available. F- ~~27~~ **29** Note ~~10~~ **11** - Income Taxes The Company had no income tax expense due to operating loss incurred for the years ended December 31, **2023 and** 2022 ~~and 2021~~. The tax effects of temporary differences and tax loss and credit carry forwards that give rise to significant portions of deferred tax assets and liabilities at December 31, **2023 and** 2022 ~~and 2021~~ are comprised of the following: Schedule of Deferred Tax Assets and Liabilities **2023** 2022 ~~2021~~ As of December 31, **2023** 2022 ~~2021~~ Deferred tax assets: Federal ~~Net~~ **net** - operating loss carryforward $ ~~2~~ **3** , ~~776~~ **488** , ~~943~~ **995** $ 2, ~~287~~ **776** , ~~780~~ **943** State ~~Net~~ **net** - operating loss carryforward **592, 038** 360, 818 Other (~~Non~~ **non** - ~~Qualified~~ **qualified** ~~Stock~~ **stock** ~~Options~~ **options**) **15, 997** 225, 794 ~~209, 797~~ Total **deferred tax assets 4, 097, 030 3, 363, 555** Deferred ~~Tax~~ **tax liabilities: Unrealized gains on crypto** ~~Assets~~ **assets** ~~3~~ **715** , ~~363~~ **899- Total deferred tax liabilities 715** , **899-** ~~555 2, 497, 578~~ Valuation allowance (3, **381, 131) (3,** 363, 555) ~~(2, 497, 578)~~ Deferred ~~Tax Asset~~ **tax assets** , **net** ~~Net of Allowance~~ $- $- At December 31, ~~2022~~ **2023** , the Company had net operating loss **(" NOL ")** carry forwards for federal and state tax purposes of approximately $ ~~18. 6 million~~ **25, 753, 000** which begins to expire in 2034. The 20- year carryforward period has been replaced with an indefinite carryforward period for these NOLs generated in tax years beginning after December 31, 2017 and future years. Accordingly, the amount of **Federal** NOLs that were generated in the tax year December 31, 2014 in the amount of $ 1, 290, 156 will expire after December 31, 2034. The amount of NOLs that were generated in the tax year December 31, 2015 in the amount of $ 1, 545, 343 will expire after December 31, 2035. The amount of NOLs that were generated in the tax year December 31, 2016 in the amount of $ 794, 762 will expire after December 31, 2036. The amount of NOLs that were generated in the tax year December 31, 2017 in the amount of $ 1, 084, 564 will expire after December 31, 2037. The NOLs generated in the tax years December 31, 2018 **in the amounts of $ 11, 899, 437** and onwards ~~in the amounts of $ 8, 508, 712~~ will have an indefinite life per current U. S. federal income tax legislation. Prior to the February 5, 2014 merger, the Company had generated net operating losses, which the Company' s preliminary analysis indicates would be subject to significant limitations pursuant to Internal Revenue Code Section 382. The Company has not completed its IRC Section 382 Valuation, as required ~~,~~ and the NOL' s because of potential Change of Ownerships might be completely worthless **. As of December 31, 2023, the Company had a deferred tax liability related to the unrealized gains on its crypto assets amounting to $ 715, 899. The final tax impact could significantly differ from current estimates due to future market fluctuations and changes in tax laws** . Therefore, Management of the Company has recorded a Full Valuation Reserve, since it is more likely than not that no benefit will be realized for the Deferred Tax Assets. In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the period in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and taxing strategies in making this assessment. In case the deferred tax assets will not be realized in future periods, the Company has provided a valuation allowance for the full amount of the deferred tax assets at December 31, **2023 and** 2022 ~~and 2021~~ . The valuation allowance increased by approximately $ **18, 000** ~~0. 9 million~~ as of December 31, ~~2022~~ **2023** . The expected tax expense (benefit) based on the U. S. federal statutory rate is reconciled with actual tax expense (benefit) as follows: Schedule of Income Tax Rate **2023 2022** For the years ended December 31, **2023** 2022 ~~2021~~ Statutory Federal Income Tax Rate (21. 0) % (21. 0) % State Taxes, Net of Federal Tax Benefit (6. **48) % (6.** 72 ~~) % (6. 5~~) % Federal tax rate change 0. 0 % 0. 0 **%** Other 27. **48 % 27.** 72 % ~~27. 5~~ Change in Valuation Allowance (0. 0) % (0. 0) % Income Taxes Provision (Benefit)- %- % The Company has not identified any uncertain tax positions requiring a reserve as of December 31, **2023 and** 2022 ~~and 2021~~ . F- ~~28~~ **30** Note ~~11~~ **12** - Subsequent Events The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non- recognized subsequent events that would have required adjustment or disclosure in the financial statements other than disclosed. ~~During the period from December 31, 2022 to March 28, 2023, the Company sold a total of 295, 306 shares of Common Stock under the ATM Agreement for aggregate total gross proceeds of approximately $ 520, 000 at an average selling price of $ 1. 76 per share, resulting in net proceeds of approximately $ 501, 000 after deducting commissions and other transaction costs.~~ On December ~~9~~ **29** , ~~2022~~ **2023** , upon recommendation of the Compensation Committee, the Board of ~~Directors of~~ BTCS Inc. approved **the grant of 50, 000 RSUs to each of its executive officers (Mr. Allen, Mr. Handerhan, Mr. Prevoznik and Mr. Paranjape)** , effective January 1, ~~2023~~ **2024 . The** ~~, the amendment of unvested~~ RSUs ~~which are subject to monthly time- based vesting such that the time- based vesting conditions will be replaced with calendar year annual vesting, including any pro- rata adjustment which may be required to move from an annual basis to a calendar year annual basis. In addition, the Board of Directors approved the grant~~ **granted** ~~of 25, 000 RSUs to Mr. Prevoznik and Mr. Paranjape each, which~~ vest annually over a ~~five~~ **5** - year period **(10, 000 per year)** with the first vesting date ~~being~~ **of December 31, 2024 and each subsequent vesting** on the one- year anniversary of the **first vesting** ~~execution date of the effective grant~~ date, subject to continued employment on each applicable vesting date. ~~Effective~~ **On** January ~~19~~ **12** , ~~2023~~ **2024** , ~~The Board of Directors of~~ **Messrs. Allen and Handerhan both informed the Compensation Committee, that for personal reasons, they each do not accept, and forfeit, the 50, 000 restricted stock units granted to them each by** the Company **effective January 1, 2024. Subsequently, effective January 12, 2024,** approved the ~~issuance~~ **grant** of ~~$~~ 50, 000 **additional RSUs** ~~of common stock~~ to **Mr. Prevoznik and Mr. Paranjape,** each ~~independent director. The shares will be issued in four equal installments ($ 12~~ , ~~500~~ **which vest annually over a 5- year period (10, 000 per year**) ~~at~~ **with** the ~~end~~ **first vesting date** of **December 31, 2024 and** each ~~calendar quarter beginning March 31st~~ **subsequent vesting on the one- year anniversary of the first vesting date** , subject to continued ~~service~~ **employment** on each applicable ~~issuance~~ **vesting** date. ~~The number of shares issuable will be based on the closing price of the Company' s common stock on the last trading day prior to the end of the applicable calendar quarter. The Board also approved the following annual committee chair fees: $ 5, 000 for the Audit Committee Chair, 5, 000 for the Compensation Committee Chair, and $ 5, 000 for the Governance and Nominating Committee (collectively, the " Committee Chair Fees "). The Committee Chair Fees are payable quarterly in four equal installments at the end of each calendar quarter. The annual Board fees remain unchanged at $ 25, 000 per independent director, payable quarterly in four equal installments at the end of each calendar quarter. On February 2, 2023, the Company announced that it had created a new Series V Convertible Preferred Stock with plans to distribute the Series V to each shareholder of record as of March 27, 2023 with a payment date of April 14, 2023. On March 23, 2023, the Company announced the delay of the key dates including record and payment dates of the Series V distribution, due to anticipated changes to the structure. The Company is actively working with relevant parties to ensure a smooth process of the distribution moving forward.~~ F- ~~29~~ **31** Exhibit 4. ~~7~~ **2** DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934 Capital Stock BTCS Inc. (the " Company ") is authorized to issue (i) ~~97~~ **975** , ~~500~~ **000** , 000 shares of common stock, par value $ 0. 001 per share (the " Common Stock ") and (ii) 20, 000, 000 shares of preferred stock, par value $ 0. 001 per share. The Preferred Stock may be issued in one or more series, each series to be appropriately designated by a distinguishing letter or title, prior to the issuance of any shares thereof. The voting powers, designations, preferences, limitations, restrictions, and relative, participating, optional and other rights, and the qualifications, limitations, or restrictions thereof, of the Preferred Stock shall hereinafter be prescribed by resolution of the board of directors (" Board ") pursuant to Section 3 of Article III of the Amended and Restated Articles of Incorporation (“ Articles ”). The Common Stock is registered pursuant to Section 12 (b) of the Securities Exchange Act of 1934. The holders of Common Stock are entitled to one vote per share on all matters submitted to a vote of shareholders, including the election of directors. There is no cumulative voting in the election of directors. The directors of the Company are elected by a plurality of the votes cast by the shareholders. On all other matters submitted to the shareholders, the affirmative vote of the majority of the votes cast for or against a proposal shall be the act of the shareholders unless otherwise provided by the Nevada Revised Statutes (“ NRS ”) or the bylaws of the Company. ~~Series V Convertible Preferred Stock~~ The Company filed a Certificate of Designation with the Secretary of State of the State of Nevada designating 19, 500, 000 shares of Series V ~~Convertible~~ Preferred Stock. The following descriptions set forth brief summaries of the rights, preferences, and privileges of the Series V ~~Convertible~~ Preferred Stock: (a) ~~Right of Conversion~~ **Dividends and Distributions** . ~~After such~~ **If at any** time ~~as~~ the ~~Company obtains~~ **Corporation declares** a **dividend and /** ~~Depository Trust Company (“ DTC ”) eligible CUSIP number for~~ - **or distribution to its Common Stockholders,** the **holders of** Series V ~~and has~~ **Preferred, unless otherwise** ~~provided~~ -- **approved by** ~~conversion instructions (as described below),~~ the ~~holder~~ **Board,** will **not** be entitled **to** ~~, at its~~ - **it. The** ~~sole option, to convert all but not less than all~~ Series V **, however, shall be entitled to dividends and / or distributions, to** ~~then~~ - **the** ~~held~~ **extent approved** by ~~it, at~~ the **Board** ~~earlier of: (1) any time prior to redemption~~ , **which the** ~~and (2) on or prior to December 31, 2024, into duly authorized, validly issued, fully paid and nonassessable shares of common~~ **Common** ~~stock. Each share~~ **Stockholders would not be entitled up to a maximum** of **20 % per annum. (b) Liquidation Rights. In the event of a Liquidation Event, the** Series V ~~will convert~~ **holders shall be entitled to receive in cash out of the assets of the Corporation, whether from capital or from earnings available for distribution to its stockholders, before any amount shall be paid to the holders of any of shares of Junior Stock, an amount per share of Series V equal** to one **hundred and twenty percent of the amount per** share **such Series V holder would receive if such Series V holder** ~~of common stock (a “ Conversion Share ”). To convert~~ **converted each** ~~shares of~~ Series V into **one share of Common Stock (as adjusted for stock splits or other similar corporate actions which affect the outstanding number of** shares ~~of common stock,~~ **) immediately prior to** the **date of such payment** ~~holder must follow the conversion instructions provided for on the Company’ s website at www~~ . ~~btcs. com or provided for in~~ **To the extent necessary, the Corporation shall cause such actions to be taken by each of its subsidiaries so as to enable, to the maximum extent permitted by law, the proceeds of** a **Liquidation Event to be distributed to** ~~Current Report on Form 8- K filed with~~ the ~~Securities and Exchange Commission (“ SEC ”). Each share of~~ Series V **Holders. “ Liquidation Event ” means, whether in** ~~is intended to be convertible into one share of the Company’ s common stock listed on~~ a ~~foreign exchange~~ **single transaction** or **series of transactions** ~~alternative trading market that utilizes blockchain technology (either~~ , **the voluntary or involuntary liquidation, dissolution or winding up of the Corporation or such subsidiaries the assets of which constitute all or substantially all of the assets of the business of the Corporation** ~~an~~ **and** ~~“ Exchange ”), subject to certain approvals and the terms of the Certificate. (b) Redemption. The Board may, at~~ its ~~option~~ **subsidiaries** , **taken as** ~~at any time after the one- year anniversary of issuance, redeem all but not less than all of the then outstanding shares of Series V by giving notice of such redemption. Notice must be given at least 15 calendar days prior to~~ a **whole** ~~redemption date and any notice that is so provided will be deemed given, whether or not the holder receives the notice. Each such notice of redemption must state the method by which the payment of the redemption price is to be made. The failure to be given, or any defect in, any notice required by this Section will not affect the legality or validity of the action taken by the Board or of the redemption. The redemption price for any shares of Series V to be redeemed will be payable in cash, out of funds legally available therefor, and will be equal to $ 0. 001 per share~~ . (c ~~) Other Rights. The shares of Series V Preferred will not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth in the Certificate. (d) No Right of Holders to Cause Other Conversions. No holder of Series V Preferred shares shall have any right to cause or require the conversion of any Series V Preferred shares into any other class of capital stock of the Corporation or any other security or any right to cause or require any exchange of any Series V Preferred shares for any other class of capital stock of the Corporation or any other security. (e~~) Voting Rights. Except as otherwise provided ~~herein~~ **within the Certificate** or as required by law, the holders of the shares of Series V Preferred shall have no voting rights (~~f~~ **d**) ~~Liquidation~~ **Other** Rights. **The** ~~In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the outstanding~~ shares of Series V Preferred shall not ~~be treated~~ **have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than** as **set forth in** ~~if such shares were additional outstanding shares of~~ the **Certificate** ~~Corporation’ s Common Stock, par value $ 0. 001 per share (the “ Common Stock ”) and shall not be entitled to any rights or to any distributions of assets the Corporation~~ . Certain Provisions of Our Charter and Bylaws (a) Dividend Rate. Subject to the rights of holders of any Preferred Stock having preference as to dividends and except as otherwise provided by the Articles of Incorporation (hereinafter, the “ Articles ”) or the NRS, the holders of Common Stock shall be entitled to receive dividends when, as and if declared by the Board out of assets legally available therefor. (b) Voting Rights. Except as otherwise provided by the NRS, the holders of the issued and outstanding shares of Common Stock shall be entitled to one vote for each share of Common Stock. No holder of shares of Common Stock shall have the right to cumulate votes. (c) Liquidation Rights. In the event of liquidation, dissolution, or winding up of the affairs of the Company, whether voluntary or involuntary, subject to the prior rights of holders of Preferred Stock to share ratably in the Company’ s assets, the Common Stock and any shares of Preferred Stock which are not entitled to any preference in liquidation shall share equally and ratably in the Company’ s assets available for distribution after giving effect to any liquidation preference of any shares of Preferred Stock. A merger, conversion, exchange or consolidation of the Company with or into any other person or sale or transfer of all or any part of the assets of the Company (which shall not in fact result in the liquidation of the Company and the distribution of assets to stockholders) shall not be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company. (d) No Conversion, Redemption, or Preemptive Rights. The holders of

Common Stock shall not have any conversion, redemption, or preemptive rights. (e) Consideration for Shares. The Common Stock shall be issued for such consideration as shall be fixed, from time to time, by the Board. (a) Designation. The Board is hereby vested with the authority from time to time to provide by resolution for the issuance of shares of Preferred Stock in one or more series not exceeding the aggregate number of shares of Preferred Stock authorized by the Articles, and to prescribe with respect to each such series the voting powers, if any, designations, preferences, and relative, participating, optional, or other special rights, and the qualifications, limitations, or restrictions relating thereto, including, without limiting the generality of the foregoing: the voting rights relating to the shares of Preferred Stock of any series (which voting rights, if any, may be full or limited, may vary over time, and may be applicable generally or only upon any stated fact or event); the rate of dividends (which may be cumulative or noncumulative), the condition or time for payment of dividends and the preference or relation of such dividends to dividends payable on any other class or series of capital stock; the rights of holders of Preferred Stock of any series in the event of liquidation, dissolution, or winding up of the affairs of the Company; the rights, if any, of holders of Preferred Stock of any series to convert or exchange such shares of Preferred Stock of such series for shares of any other class or series of capital stock or for any other securities, property, or assets of the Company or any subsidiary (including the determination of the price or prices or the rate or rates applicable to such rights to convert or exchange and the adjustment thereof, the time or times during which the right to convert or exchange shall be applicable, and the time or times during which a particular price or rate shall be applicable); whether the shares of any series of Preferred Stock shall be subject to redemption by the Company and if subject to redemption, the times, prices, rates, adjustments and other terms and conditions of such redemption. The powers, designations, preferences, limitations, restrictions and relative rights may be made dependent upon any fact or event which may be ascertained outside the Articles or the resolution if the manner in which the fact or event may operate on such series is stated in the Articles or resolution. The Board is further authorized to increase or decrease (but not below the number of such shares of such series then outstanding) the number of shares of any series subsequent to the issuance of shares of that series. Unless the Board provides to the contrary in the resolution which fixes the characteristics of a series of Preferred Stock, neither the consent by series, or otherwise, of the holders of any outstanding Preferred Stock nor the consent of the holders of any outstanding Common Stock shall be required for the issuance of any new series of Preferred Stock regardless of whether the rights and preferences of the new series of Preferred Stock are senior or superior, in any way, to the outstanding series of Preferred Stock or the Common Stock. (b) Certificate. Before the Company may issue any shares of Preferred Stock of any series, a certificate of designation setting forth a copy of the resolution or resolutions of the Board, and establishing the voting powers, designations, preferences, the relative, participating, optional, or other rights, if any, and the qualifications, limitations, and restrictions, if any, relating to the shares of Preferred Stock of such series, and the number of shares of Preferred Stock of such series authorized by the Board to be issued shall be made and signed by an officer of the corporation and filed in the manner prescribed by the NRS. Special Meetings Under our bylaws, (a) Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by (i) the Chairman of the Board, (ii) the Chief Executive Officer, or (iii) the Board pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption), and shall be held at such place, on such date, and at such time, as the Board shall determine. (b) If a special meeting is called by any person or persons other than the Board, the request shall be in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by tele- graphic or other facsimile transmission to the Chairman of the Board, the Chief Executive Officer, or the Secretary of the Company. No business may be transacted at such special meeting otherwise than specified in such notice. The Board shall determine the time and place of such special meeting, which shall be held not less 35 nor more than 120 days after the date of the receipt of the request. Upon determination of the time and place of the meeting, the officer receiving the request shall cause notice to be given to the stockholders entitled to vote, in accordance with the provisions of the Bylaws. If the notice is not given within 60 days after the receipt of the request, the person or persons requesting the meeting may set the time and place of the meeting and give the notice. Transfer Agent and Registrar Equity Stock Transfer is the transfer agent and registrar in respect of the Common Stock **and Series V Preferred Stock** . Pursuant to Item 202 (a), the information regarding the Company' s securities contained herein does not constitute a complete legal description of the Company' s securities and is qualified in all material respects by the provisions of the Company' s Articles and Bylaws, as filed with the Securities and Exchange Commission. Exhibit **19** ~~10. 4 Dear Manish, We are very pleased to extend an offer of employment to you for the position of Chief Technology Offer (" CTO ") of BTCS Inc., (" BTCS " or the " Company "). This offer of employment is conditioned on your satisfactory completion of certain requirements, as more fully explained in this letter. Your employment is subject to the terms and conditions set forth in this letter. We look forward to your contributions to BTCS leadership team to fulfill our vision. This letter is intended to set forth the terms and conditions of our employment offer. Duties In your capacity as CTO, you will perform duties and responsibilities that are commensurate with your position as a CTO of a publicly traded company including the preparation of the financial statements to be included in the Company' s filings as well as the execution of the necessary filings / certifications and such other duties as may be assigned to you from time to time. You will report directly to Charles Allen the CEO. You agree to devote your full business time, attention and best efforts to the performance of your duties and to the furtherance of the Company' s interests. Notwithstanding the foregoing, nothing in this letter shall preclude you from devoting reasonable periods of time to charitable and community activities, provided that none of these activities interferes with the performance of your duties hereunder or creates a conflict of interest. Location The Company does not currently maintain corporate offices however it will be expected that you will remain available during work hours on eastern time and be located on the east coast. The Company will also expect you to be present for in person meeting when required. If the Company chooses to maintain a corporate office it will be expected that you are present at the office provided it is within 75 miles of either Wayne, PA or Silver Spring, MD. Start Date Subject to satisfaction of all of the conditions described in this letter, this offer is based on a mutually acceptable start date, however your anticipated~~

~~start date is February 22, 2022 (" Start Date "). Base Salary In consideration of your services, you will be paid an initial base salary of $ 225, 000 per year, subject to review annually, payable bi- weekly in accordance with the standard payroll practices of the Company and subject to all withholdings and deductions as required by law. Sign on Equity Grant Effective on the Start Date, the Company will grant you, an equity award in the form of Restricted Stock Units (" RSU ") with an aggregate dollar value of the award as of the grant date equal to $ 200, 000 based on the closing stock price as of the grant date. The award will be subject to the terms and conditions of the 2021 Equity Incentive Plan and an award agreement and will vest over a five- year period as follows: one fifth of the award will vest on the one- year anniversary of the start date, and the remaining four fifths will vest monthly over the following four years~~ . 1 ~~You may want to speak with a tax accountant regarding the tax implications of the grant. Annual Equity Grant and Cash Bonuses For each full year of employment, you will be eligible to receive an annual equity award and / or cash bonuses as determined by the compensation committee of the Board in its discretion with an aggregate value on the grant date between one half (1 / 2) and two (2) times your base salary subject to vesting and performance criteria as set forth by the Board (the " AIP "). For the avoidance of doubt the AIP shall include the value of the sign on equity grant and the LTI RSU as set forth below. For partial year employment such amounts will be pro- rated accordingly. Long Term Incentives Effective on the Start Date, the Company will grant you, a long- term incentive equity award in the form of Restricted Stock Units (the " LTI RSUs ") with an aggregate dollar value of the award as of the grant date equal to $ 700, 000 based on the closing stock price on the grant date with vesting terms set forth below: ● 25 % of the LTI RSUs when the Company' s market capitalization reaches and sustains a market capitalization for 30 consecutive days above $ 100, 000, 000, and the time- based criteria set forth below are met; ● 25 % of the LTI RSUs when the Company' s market capitalization reaches and sustains a market capitalization for 30 consecutive days above $ 150, 000, 000, and the time- based criteria set forth below are met; ● 25 % of the LTI RSUs priced when the Company' s market capitalization reaches and sustains a market capitalization for 30 consecutive days above $ 200, 000, 000, and the time- based criteria set forth below are met; and ● 25 % of the LTI RSUs when the Company' s market capitalization reaches and sustains a market capitalization for 30 consecutive days above $ 400, 000, 000, and the time- based criteria set forth below are met. To the extent any market capitalization targets set forth above are achieved the LTI RSUs will also be subject to the following five- year vesting schedule: 20 % of the LTI RSUs which have met a market capitalization criteria will vest on the one- year anniversary of the grant date, and the remaining 80 % of the LTI RSUs which have met a market capitalization criteria will vest monthly over the four years following the one year anniversary of the grant date. In addition to the vesting criteria set forth above, while the Company is listed on the Nasdaq, the restricted stock units issued are subject to the receipt of shareholder approval approving an increase in the Plan or the creation of a new plan as required under Nasdaq rules. Benefits and Perquisites You will be eligible to participate in the employee benefit plans and programs generally available to the Company' s senior executives, including, subject to the terms and conditions of such plans and programs. The Company currently matches 401k contributions up to $ 20, 500 the max allowable. The Company also reimburses executives $ 1, 000 per month to cover office space, utility and other expenses since it currently does not maintain office space. You will be entitled to paid vacation in accordance with the Company' s policies in effect from time to time. The Company reserves the right to amend, modify or terminate any of its benefit plans or programs at any time and for any reason. Withholding All forms of compensation paid to you as an employee of the Company shall be less all applicable withholdings. At- will Employment Your employment with the Company will be for no specific period of time. Rather, your employment will be at- will, meaning that you or the Company may terminate the employment relationship at any time, with or without cause, and with or without notice and for any reason or no particular reason. Although your compensation and benefits may change from time to time, the at- will nature of your employment may only be changed by an express written agreement signed by an authorized officer of the Company and approved by the Board. If your employment with the Company is terminated for any reason, you will not be eligible to receive any severance. Clawback Any incentive- based or other compensation paid to you by the Company which is subject to recovery under any law, government regulation, or stock exchange listing requirement will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation, or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement). Governing Law This offer letter shall be governed by the laws of Nevada, without regard to conflict of law principles. Contingent Offer This offer is contingent upon: a. Verification of your right to work in the United States, as demonstrated by your completion of an I- 9 form upon hire and your submission of acceptable documentation (as noted on the I- 9 form) verifying your identity and work authorization within three days of your Start Date. For your convenience, a copy of the I- 9 Form' s List of Acceptable Documents is enclosed for your review. b. Satisfactory completion of reference checks. c. Satisfactory completion of a background investigation, for which the required notice and consent forms will be provided. d. Completion of D & O Questionnaire. e. Execution of the Company' s form of confidentiality agreement. This offer will be withdrawn if any of the above conditions are not satisfied. Representations By accepting this offer, you represent that you are able to accept this job and carry out the work that it would involve without breaching any legal restrictions on your activities, such as non- competition, non- solicitation or other work- related restrictions imposed by a current or former employer. You also represent that you will inform the Company about any such restrictions and provide the Company with as much information about them as possible, including any agreements between you and your current or former employer describing such restrictions on your activities. You further confirm that you will not remove or take any documents or proprietary data or materials of any kind, electronic or otherwise, with you from your current or former employer to the Company without written authorization from your current or former employer, nor will you use or disclose any such confidential information during the course and scope of your employment with the Company. If you have any questions about the ownership of particular documents or other information, you should discuss such questions with your former employer before removing or copying the documents or information. We are excited at the prospect of you joining our team. If you have any questions about the above details, please call me immediately. If you wish to accept this position, please sign below and~~

~~return this letter to me at ●. This offer is open for you to accept until Monday, February 7, 2022, at which time it will be deemed to be withdrawn. I look forward to hearing from you. Yours sincerely, Charles Allen Acceptance of Offer I have read and understood and I accept all the terms of the offer of employment as set forth in the foregoing letter. I have not relied on any agreements or representations, express or implied, that are not set forth expressly in the foregoing letter, and this letter supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to the subject matter of this letter. Manish Paranjape Signed / s / Manish Paranjape Date 2 / 7 / 2022~~ Exhibit 21. 1 SUBSIDIARIES OF BTCS INC. Name of Subsidiary Jurisdiction of Organization None NAExhibit 23. 1 INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM' S CONSENT We consent to the incorporation by reference in the Registration Statements of BTCS, Inc. on Form S- 3 (File Nos. 333- 259510 and 333- 252509) and Form S- 1 (File No. 333- 252511) of our report dated March ~~31~~ **21** , ~~2023~~ **2024** , with respect to our audits of the financial statements of BTCS, Inc., as of December 31, **2023 and** 2022 ~~and 2021~~ and for each of the years in the two- year period ended December 31, ~~2021~~ **2023** , which report is included in this Annual Report on Form 10- K of BTCS, Inc., for the year ended December 31, ~~2022~~ **2023** . / s / RBSM LLP RBSM LLP Las Vegas, Nevada **March 21, 2024** Exhibit 31. 1 CERTIFICATION I, Charles Allen, certify that: 1. I have reviewed this annual report on Form 10- K of BTCS Inc. (the " Company "); 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report; 4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a- 15 (e) and 15d- 15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a- 15 (f) and 15d- 15 (f)) for the Company and have: a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; b. Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; c. Evaluated the effectiveness of the Company' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d. Disclosed in this report any change in the Company' s internal control over financial reporting that occurred during the Company' s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company' s internal control over financial reporting; and5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company' s auditors and the audit committee of Company' s Board of Directors: a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company' s ability to record, process, summarize and report financial information; and b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company' s internal control over financial reporting. Date: March ~~31~~ **21** , ~~2023~~ **2024** / s / Charles Allen Charles W. Allen Chief Executive Officer (Principal Executive Officer) Exhibit 31. 2 I, Michael Prevoznik, certify that: Date: March ~~31~~ **21** , ~~2023~~ **2024** / s / Michael Prevoznik Michael Prevoznik Chief Financial Officer (Principal Financial Officer) Exhibit CERTIFICATION PURSUANT TO U. S. C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES- OXLEY ACT OF 2002 In connection with the Annual Report of BTCS Inc. (the " Company ") on Form 10- K for the year ended December 31, ~~2022~~ **2023** , as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, Charles Allen, Chief Executive Officer of the Company certify, pursuant to 18 U. S. C. § 1350, as adopted pursuant to § 906 of the Sarbanes- Oxley Act of 2002, that: (1) The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. ~~Date: March 31, 2023 / s / Charles Allen Charles W. Allen Chief Executive Officer (Principal Executive Officer)~~ A signed original of this written statement required by Section 906 has been provided to BTCS Inc. and will be retained by BTCS Inc. and furnished to the Securities and Exchange Commission or its staff upon request. In connection with the Annual Report of BTCS Inc. (the " Company ") on Form 10- K for the year ended December 31, ~~2022~~ **2023** , as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, Michael Prevoznik, Chief Financial Officer of the Company, certify, pursuant to 18 U. S. C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes- Oxley Act of 2002, that: (1) The Report fully complies with the requirements of Sections 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and (2) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. Date: March ~~31~~ **21** , ~~2023~~ **2024** / s / Michael Prevoznik Michael Prevoznik Chief Financial Officer (Principal Financial Officer) **Exhibit 97. 1**