INDIVIDUAL INTERIM REPORT

BTCS S.A.

FIRST QUARTER OF 2026

Warsaw, May 12, 2026

The BTCS S.A. report for the first quarter of 2026 was prepared in accordance with current legal regulations, in particular based on the Rules of the Alternative Trading System and Appendix No. 3 to the ATS Rules, “Current and Periodic Information Disclosed in the Alternative Trading System on the NewConnect Market.”

Name (company):	BTCS Spółka Akcyjna
Country:	Poland
Headquarters:	Warsaw
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KRS Number:	0000390734
Court Designation:	District Court for the Capital City of Warsaw in Warsaw, 12th Commercial Division of the National Court Register
REGON:	301792620
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Composition of the Management Board as of May 12, 2026

- Marlena Lipińska – President of the Management Board

Composition of the Supervisory Board as of May 12, 2026

- Lech Wilczyński – Chairman of the Supervisory Board
- Abdul Rafay Gadit – Vice Chairman of the Supervisory Board
- Monika Magierska – Secretary of the Supervisory Board
- Catherine Chan – Member of the Supervisory Board
- Anna Jędrasiak – Member of the Supervisory Board
- Daniel Kaska – Member of the Supervisory Board

Dear Shareholders,

We present to you the interim report of BTCS S.A. **for the first quarter of 2026**, which marks the next stage in the consistent implementation of the strategy adopted by the Company in 2025. The period under review confirms the completion of the Company's transformation phase and the transition to the operational stage of utilizing the asset portfolio and technological infrastructure.

The first quarter of 2026 was a period of further stabilization of the Company's business model, based on the **Active Treasury** strategy and its operation as a Digital Asset Treasury Company (DATCO). Unlike in previous periods, the Issuer's activities were no longer focused on building an asset portfolio, but rather on actively managing those assets and generating revenue through the use of existing resources.

During the period under review, the Company expanded its operations in several key areas, including in particular the use of Bitcoin derivatives, participation in liquidity provision programs within blockchain ecosystems, and the development of infrastructure activities, including the launch **of a validator on the ZIGChain network.** At the same time, cooperation with strategic partners continued, including within **the CoreDAO ecosystem,** which enables the Company to generate recurring revenue.

A key element of operations in the first quarter of 2026 was **the execution of a Bitcoin options strategy**, encompassing both position rollovers and the partial exercise of issued PUT options. These activities, conducted on a cash-secured basis, align with the Company's long-term strategy of accumulating Bitcoin while simultaneously generating option premiums. As a result, the Company increased its holdings of BTC, strengthening the foundation of its digital treasury.

The key corporate event of the first quarter of 2026 was the Company's shares obtaining **a dual listing on the Frankfurt Stock Exchange** (Open Market / Freiverkehr segment, symbol 36C.F) effective January 16, 2026. BTCS S.A. thus became one of the first issuers in the Digital Asset Treasury Company segment in Central Europe to be listed on the German market, which expands the Company's access to the eurozone investor base and increases the potential liquidity of its shares.

Concurrently, the Issuer began operational participation in liquidity provision programs for blockchain ecosystems, **including Bitcoin Layer-2**, achieving its first fee settlements already during the period under review. This confirms the Company's ability to generate revenue from digital assets not only through their market valuation but also through their active utilization.

Another significant step was increasing engagement with **the ZIGChain ecosystem,** including through expanded cooperation and the development of its own validation infrastructure. These actions align with the strategy of diversifying revenue sources and building the Company's position as a blockchain infrastructure operator.

Asset valuations at the end of the quarter were lower than in previous periods, reflecting the high volatility of the cryptocurrency market and exchange rates. The Management Board views these fluctuations as a natural part of the operations of a Digital Asset Treasury Company. The scale of the portfolio remains a key element—as of March 31, 2026, the Company held **199.16 BTC**, which form the foundation of its investment strategy and the core component of its digital asset treasury.

The consistent accumulation of Bitcoin, conducted in parallel with its active use, remains one of the key elements in building the Company's value.

At the same time, BTCS S.A. is developing its ability to generate operating revenue from its assets. During the period under review, **the return on validation rewards** reached **23.14%**, confirming the effectiveness of the Company's activities in the area of blockchain infrastructure, including validation and staking processes as well as other forms of digital asset monetization.

As of the balance sheet date, the Company's net assets amounted to **PLN 18.88 million**, compared to PLN 2.50 million a year earlier, reflecting the scale of business growth and the increase in the value of the managed asset portfolio.

The first quarter of 2026 was a period of challenging market conditions for digital assets for BTCS S.A. Declines in valuations and unfavorable foreign exchange differences impacted the accounting result, which is predominantly unrealized and non-cash in nature, requiring appropriate interpretation of the presented financial data. **The Company's net result for the first quarter of 2026** remains significantly influenced by changes in the valuation of digital assets during the quarter in question and financing costs, a significant portion of which is unrealized and non-cash in nature.

The Company's financial result for the first quarter of 2026 should be interpreted in the context of the global dynamics of the Bitcoin market. During the period under review, the price of Bitcoin fell from approximately $89,000 at the beginning of January 2026 to approximately $66,700 at the end of March 2026, representing a decline of approximately 25% in the quarter alone (and approximately 47% from the historical peak in October 2025). This phenomenon affected all DATCO-type entities globally. By way of comparison, Strategy Inc. (NASDAQ: MSTR), the world's largest Bitcoin treasury company, reported an unrealized loss on the valuation of its Bitcoin portfolio of $14.46 billion during the same period, the vast majority of which was of an accounting and non-cash nature. BTCS S.A.'s reported net loss therefore reflects industry-wide dynamics rather than factors specific to the Company.

It is particularly noteworthy that despite the negative net result, the Company generated **positive cash flows from operating activities**, which reached **PLN 8.92 million** in the period under review. This confirms the Company's ability to generate real cash and effectively utilize its assets, regardless of their current market valuation.

Ladies and Gentlemen, **the first quarter of 2026** confirms that BTCS S.A. is effectively implementing the principles of the Active Treasury model, combining the investment and operational functions of its digital asset portfolio. The Company is developing its ability to generate recurring revenue while maintaining exposure to long-term asset appreciation, which, in the Management Board's assessment, forms the basis for further value creation for shareholders.

Thank you for your trust, and we invite you to continue following the Company's progress in implementing its strategy to become a leading DATCO entity.

Sincerely,

Marlena Lipińska – President of the Management Board of BTCS S.A.

GLOSSARY OF KEY TERMS

This report describes the Company's activities in the area of blockchain infrastructure and digital assets. To ensure the report is fully understandable even to investors unfamiliar with digital asset market terminology, we present below the key terms used in the remainder of this document.

Bitcoin (BTC) – the oldest and largest cryptocurrency by market capitalization, treated in institutional circles as the digital equivalent of gold. The price of BTC fluctuates in the market in a manner comparable to other speculative assets.

Digital assets – a collective term for instruments represented digitally on blockchain networks, including Bitcoin, ecosystem tokens such as CoreDAO and ZIGChain, and so-called stablecoins, i.e., tokens pegged to the value of a traditional currency (e.g., USDC to the U.S. dollar).

Blockchain – a distributed database maintained by a network of independent computers (nodes), ensuring the immutability of stored data without the need for a central administrator.

Validator – a specialized node in a blockchain network that verifies the validity of transactions and the creation of new blocks. The validator operator receives compensation paid in the network's tokens. Functionally, the validator's role resembles that of an infrastructure operator (e.g., a telecommunications operator) in traditional networks: revenue is recurring and depends on the scale of the infrastructure involved.

Staking - a mechanism for securing a blockchain network involving the temporary locking (staking) of tokens within the protocol. In return, the participant (either the validator themselves or the person delegating tokens to the validator) receives a reward. In a financial model, staking is similar to an interest-bearing deposit, with the caveat that the value of staked tokens may be subject to market fluctuations.

DATCO (Digital Asset Treasury Company) – a publicly traded company whose primary assets are digital assets held on the company's balance sheet, unlike traditional manufacturing or service companies. A prime global example is Strategy Inc. (formerly MicroStrategy, NASDAQ: MSTR).

Active Treasury – a proprietary methodology for managing a digital asset portfolio used by the Company, combining an investment function (Bitcoin accumulation) with an operational function (generating revenue from options, validation, and liquidity programs). It represents an extension of the "buy and hold" approach with a component that generates recurring cash flows.

Cash-Secured PUT Option - a derivative instrument in which the Company, as the option writer, commits to purchasing Bitcoin at a specified price (strike price) by a specified date, and in return receives an immediate premium. In the cash-secured structure, the Company maintains full coverage of the obligation with liquid funds. This mechanism allows for the accumulation of BTC at a predetermined price lower than the current market price, or—if the option is not exercised—retaining the premium as revenue.

CoreDAO – a Layer-1 blockchain network integrated with the Bitcoin ecosystem, in which the Company operates its own validator node.

ZIGChain – a Layer-1 blockchain network based on the Cosmos SDK standard, dedicated to applications related to the tokenization of real-world assets (RWA), in which the Company operates its own validator node.

Bitcoin Layer-2 – a technological layer built on top of the Bitcoin network, enabling faster and cheaper transactions while maintaining the security of the main network. Layer-2 liquidity programs reward participants for providing their own digital assets.

mNAV (market-to-NAV) – a metric used in the valuation of DATCO-type companies, expressing the ratio of a company's market capitalization to the value of its net assets. A value above 1.0 indicates that the market values the company at a premium relative to its net assets.

MARKET CONTEXT AND THE FIRST QUARTER OF 2026

The first quarter of 2026 was a period of significant global sell-off in digital assets. The price of Bitcoin fell from its all-time high of approximately $126,198 reached on October 6, 2025
to approximately $66,710 as of March 31, 2026, representing a decline of approximately 47% over the six-month period and a decline of approximately 25% in the first quarter of 2026 alone.

This price movement had a significant impact on all publicly traded DATCO companies, regardless of jurisdiction. By way of comparison, Strategy Inc. (NASDAQ: MSTR), the world's largest Bitcoin treasury company, reported an unrealized loss from the valuation of its Bitcoin portfolio of approximately $14.46 billion in the first quarter of 2026—largely of an accounting and non-cash nature. Despite the reported loss, the company continued to accumulate Bitcoin, confirming that the long-term nature of its treasury strategy remains unchanged even during periods of deep market corrections.

BTCS S.A.'s financial results for the first quarter of 2026 should be interpreted in this context. The reported net loss of PLN 9.54 million reflects the overall dynamics of the digital asset market, rather than factors specific to the Company. The key advantage of BTCS S.A.'s Active Treasury model over the classic "buy and hold" approach is its ability to generate operating revenue from held assets (option premiums, validation rewards, liquidity fees) regardless of current market valuations. This is confirmed by positive cash flows from operating activities during the period under review (PLN 8.92 million).

In the broader regulatory environment, in November 2025, the President of Poland vetoed a bill regulating the trading of digital assets in Poland, which prolonged the period of domestic regulatory uncertainty. Regardless of this legal status, the Company conducts its business in compliance with the applicable regulatory framework and monitors the progress of work on the Polish implementation of European regulations (MiCA Regulation).

I. CONDENSED QUARTERLY FINANCIAL STATEMENTS (figures in PLN)

Since this report covers the first quarter of the fiscal year, the financial data presented for the period from January 1 to March 31, 2026, is cumulative.

Balance Sheet - Assets

	Content	As of March 31, 2026	As of March 31, 2025
A.	**Non-current assets**	**61,002,551.98**	**195,604.87**
I.	**Intangible assets**	**0.00**	**32,351.64**
	1. Costs of completed development work		
	2. Goodwill		
	3. Other intangible assets		32,351.64
	4. Advances for intangible assets		
II.	**Property, plant, and equipment**	**0.00**	**27,003.86**
	1. Fixed assets	0.00	27,003.86
	a) land (including perpetual usufruct rights to land)		
	b) buildings, premises, rights to premises, and civil engineering and water infrastructure facilities and water engineering structures		
	c) technical equipment and machinery		14,300.00
	d) means of transport		12,703.86
	e) other fixed assets		
	2. Fixed assets under construction		
	3. Advances for fixed assets under construction		
III.	**Long-term receivables**	**0.00**	**0.00**
	1. From related entities		
	2. From other entities in which the entity has an equity interest		
	3. From other entities		
IV.	**Long-term investments**	**61,002,551.98**	**0.00**
	1. Real estate		
	2. Intangible assets		
	3. Long-term financial assets	0.00	0.00
	a) in related entities	0.00	0.00
	- shares		
	- other securities		
	- loans granted		
	- other long-term financial assets		
	b) in other entities in which the entity has an equity interest	0.00	0.00
	- shares		
	- other securities		
	- loans granted		
	- other long-term financial assets		
	c) in other entities	0.00	0.00
	- shares		
	- other securities		
	- loans granted		
	- other long-term financial assets		

	4. Other long-term investments	61,002,551.98	
V	**Long-term prepayments and accrued liabilities**	**0.00**	**136,249.37**
	1. Deferred income tax assets		136,249.37
	2. Other accruals		
B.	**Current assets**	**952,487.92**	**2,798,203.69**
I.	**Inventories**	**0.00**	**2,140,285.24**
	1. Materials		
	2. Semi-finished goods and work in progress		
	3. Finished goods		
	4. Merchandise		759,133.29
	5. Prepayments for goods and services		1,381,151.95
II.	**Current receivables**	**847,845.10**	**484,090.82**
	1. Receivables from related parties	0.00	0.00
	a) trade receivables, with a repayment period of:	0.00	0.00
	- up to 12 months		
	- over 12 months		
	b) other		
	2. Receivables from other entities in which the entity has an equity interest	0.00	0.00
	a) trade receivables, with a repayment period of:	0.00	0.00
	- up to 12 months		
	- over 12 months		
	b) other		
	3. Receivables from other entities	847,845.10	484,090.82
	a) trade receivables, with a repayment period of:	447,845.96	277,835.32
	- up to 12 months	447,845.96	277,835.32
	- over 12 months		
	b) for taxes, subsidies, customs duties, social security and health insurance, and other public law obligations	399,852.77	
	c) other	146.37	206,255.50
	d) legal proceedings		
III.	**Short-term investments**	**89,149.83**	**172,343.34**
	1. Short-term financial assets	89,149.83	172,343.34
	a) in related entities	0.00	0.00
	- shares		
	- other securities		
	- loans granted		
	- other short-term financial assets		
	b) in other entities	0.00	65,308.86
	- shares		
	- other securities		
	- loans granted		65,308.86
	- other short-term financial assets		
	c) cash and other monetary assets	89,149.83	107,034.48
	- cash on hand and in bank accounts	89,149.83	107,034.48
	- other cash		
	- other monetary assets		
	2. Other short-term investments		
IV.	**Short-term prepaid expenses**	**15,492.99**	**1,484.29**
C.	**Contributions due to share capital (fund)**		

D.	**Treasury shares**		
	Total assets	**61,955,039.90**	**2,993,808.56**

Balance Sheet - Liabilities

	Content	As of March 31, 2026	As of March 31, 2025
A.	**Equity**	**18,884,089.75**	**2,497,602.55**
I.	**Share capital**	**19,216,599.50**	**8,000,000.00**
II.	**Reserve capital (fund), including:**	**15,515,391.25**	
	- surplus of the sale price (issue price) over the par value of shares	15,515,391.25	
III.	**Revaluation reserve, including:**	**0.00**	**0.00**
	- from fair value revaluation		
IV.	**Other reserve capital (funds)**		
	- including those established in accordance with the company's articles of association		
	- for treasury shares		
V.	**Retained earnings (losses)**	**-6,304,863.42**	**-5,085,311.63**
VI.	**Net income (loss)**	**-9,543,037.58**	**-417,085.82**
VII.	**Deductions from net profit during the fiscal year (negative amount)**		
B.	**Liabilities and provisions for liabilities**	**43,070,950.15**	**496,206.01**
I.	**Provisions for liabilities**	**0.00**	**3,729.26**
	1. Deferred income tax provision		3,729.26
	2. Provision for pension and similar benefits	0.00	0.00
	- long-term		
	- short-term		
	3. Other provisions	0.00	0.00
	- long-term		
	- short-term		
II.	**Long-term liabilities**	**29,352,576.62**	**13,588.20**
	1. To related parties		
	2. To other entities in which the entity has an equity interest		
	3. To other entities	29,352,576.62	13,588.20
	a) loans and advances	29,352,576.62	
	b) from the issuance of debt securities		
	c) other financial liabilities		13,588.20
	d) promissory note liabilities		
	e) other		
III.	**Current liabilities**	**13,236,296.95**	**478,888.55**
	1. Liabilities to related parties	0.00	58,867.00
	a) trade payables, with a maturity period of:	0.00	0.00
	- up to 12 months		
	- over 12 months		
	b) other		58,867.00
	2. Liabilities to other entities in which the entity has an equity interest	0.00	0.00

	a) trade payables, with a maturity of:	0.00	0.00
	- up to 12 months		
	- over 12 months		
	b) other		
	3. Liabilities to other entities	13,236,296.95	420,021.55
	a) loans and borrowings	12,053,568.35	1,398.53
	b) from the issuance of debt securities		
	c) other financial liabilities		
	d) for goods and services, with a maturity of:	459,311.28	262,830.48
	- up to 12 months	459,311.28	262,830.48
	- over 12 months		
	e) advances received for goods and services		
	f) promissory note liabilities		
	g) for taxes, customs duties, social security and health insurance, and other public law obligations	4,200.86	121,795.98
	h) for wages and salaries		28,921.88
	i) other	719,216.46	5,074.68
	4. Special funds		
IV.	**Accruals and deferrals**	**482,076.58**	**0.00**
	1. Negative goodwill		
	2. Other accruals	482,076.58	0.00
	- long-term		
	- short-term	482,076.58	
	Total liabilities	**61,955,039.90**	**2,993,808.56**

Income Statement (comparative version)

	item	**for the period 01/01/2026 - March 31, 2026**	**for the period 01/01/2025 - March 31, 2025**
A.	**Net sales revenue and equivalent items, including:**	**1,500,140.00**	**935,616.93**
	- from related entities		
I.	Net revenue from product sales	1,500,140.00	
II.	Change in inventory (increase – positive value, decrease – negative value)		
III.	Cost of manufacturing products for the entity’s own use		
IV.	Net revenue from the sale of goods and materials		935,616.93
B.	**Operating expenses**	**1,768,226.87**	**1,334,544.46**
I.	Depreciation		8,203.41
II.	Consumption of materials and energy	8,942.28	12,915.38
III.	External services	1,462,656.60	193,480.65
IV.	Taxes and fees, including:	49,456.97	2,379.95
	- excise tax		
V.	Salaries	14,418.00	61,219.10
VI.	Social security and other benefits, including:	2,952.84	15,354.70
	- pension	1,407.21	
VII.	Other costs by type	229,800.18	14,385.07

VIII.	Value of goods and materials sold		1,026,606.20
C.	**Profit (loss) on sales (A-B)**	**-268,086.87**	**-398,927.53**
D.	**Other operating income**	**1.13**	**336.20**
I.	Gain on disposal of non-financial fixed assets		
II.	Grants		
III.	Revaluation of non-financial assets		
IV.	Other operating income	1.13	336.20
E.	**Other operating expenses**	**1.11**	**0.15**
I.	Loss on disposal of non-financial fixed assets		
II.	Revaluation of non-financial assets		
III.	Other operating expenses	1.11	0.15
F.	**Operating income (loss) (C+D-E)**	**-268,086.85**	**-398,591.48**
G.	**Financial income**	**26,364,847.55**	**2,979.07**
I.	Dividends and shares in profits, including:		
	a) from related entities, including:		
	- in which the entity has an equity interest		
	b) from other entities, including:		
	- in which the entity has an equity interest		
II.	Interest, including:		
	- from related entities		
III.	Gain on disposal of financial assets, including:		
	- in related entities		
IV.	Revaluation of long-term assets	26,364,847.55	62.88
V.	Other		2,916.19
H.	**Financial expenses**	**35,639,798.28**	**21,473.41**
I.	Interest, including:	244,196.96	1,058.20
	- for related entities		
II.	Loss on disposal of financial assets, including:		
	- in related entities		
III.	Revaluation of financial assets	34,918,619.24	20,413.18
IV.	Other	476,982.08	2.03
I.	**Gross profit (loss) (F+G-H)**	**-9,543,037.58**	**-417,085.82**
J.	**Income tax**		
K.	**Other mandatory reductions in profit (increases in loss)**		
L.	**Net profit (loss) (I-J-K)**	**-9,543,037.58**	**-417,085.82**

Cash Flow Statement (indirect method)

No.	**Description**	**for the period 01/01/2026 - March 31, 2026**	**for the period 01/01/2025 - March 31, 2025**
A.	**Cash flows from operating activities**		
I.	**Net income (loss)**	**-9,543,037.58**	**-417,085.82**
II.	**Total adjustments**	**18,460,702.67**	**485,364.46**

1	Depreciation		8,203.41
2	Foreign exchange gains (losses)	6,886,866.64	
3	Interest and profit shares (dividends)	244,196.96	2,013.13
4	Gain (loss) on investing activities	11,279,078.03	
5	Change in provisions		
6	Change in inventory		424,859.56
7	Change in accounts receivable	-683,702.03	-1,182.64
8	Change in current liabilities, excluding loans and credits	906,717.56	43,367.84
9	Change in accruals and deferrals	-16,820.45	6,711.26
10	Other adjustments	-155,634.04	1,391.90
III.	**Net cash flow from operating activities (I+/-II)**	**8,917,665.09**	**68,278.64**
B.	**Cash flows from investing activities**		
I.	**Inflows**	**247,686.94**	**0.00**
1	Disposal of intangible assets and property, plant, and equipment		
2	Disposal of real estate investments and intangible and intangible assets		
3	From financial assets, including:	247,686.94	0.00
	a) in related entities		
	b) in other entities	247,686.94	0.00
	- disposal of financial assets	247,686.94	
	- dividends and shares in profits		
	- repayment of long-term loans granted		
	- interest		
	- other proceeds from financial assets		
4	Other investment inflows		
II.	**Expenses**	**4,125,434.00**	**0.00**
1	Acquisition of intangible assets and property, plant, and equipment		
2	Investments in real estate and intangible assets		
3	For financial assets, including:	0.00	0.00
	a) in related entities		
	b) in other entities	0.00	0.00
	- acquisition of financial assets		
	- long-term loans granted		
4	Other investment expenses	4,125,434.00	
III.	**Net cash flows from investing activities (I-II)**	**-3,877,747.06**	**0.00**
C.	**Cash flows from financing activities**		
I.	**Inflows**	**14,610,687.73**	**0.00**
1	Net proceeds from the issuance of shares (stock issuance) and other equity instruments, as well as capital contributions		
2	Loans and borrowings	14,610,687.73	
3	Issuance of debt securities		
4	Other financial inflows		
II.	**Expenditures**	**19,708,742.62**	**5,372.34**
1	Purchase of treasury shares		

2	Dividends and other distributions to owners		
3	Expenses related to profit distribution, other than distributions to owners		
4	Repayments of loans and borrowings	19,461,055.68	
5	Redemption of debt securities		
6	Other financial liabilities		
7	Payments of liabilities under finance lease agreements		3,359.21
8	Interest	247,686.94	2,013.13
9	Other financial expenses		
III.	**Net cash flows from financing activities (I-II)**	**-5,098,054.89**	**-5,372.34**
D.	**Total net cash flows (A.III+/-B.III+/-C.III)**	**-58,136.86**	**62,906.30**
E.	**Net change in cash, including:**	**-58,136.86**	**62,906.30**
	- change in cash due to exchange rate differences		
F.	**Cash at the beginning of the period**	**147,286.69**	**44,128.18**
G.	**Cash at the end of the period (F+/-D), including:**	**89,149.83**	**107,034.48**
	- restricted		

Statement of Changes in Equity

	item	**for the period 01/01/2026 - March 31, 2026**	**for the period 01/01/2025 - March 31, 2025**
I.	**Equity (fund) at the beginning of the period (BO)**	**28,427,127.33**	**2,655,181.19**
	- change in accounting principles (policies)		
	- corrections of errors		
I.a.	**Equity (fund) at the beginning of the period (BO) after adjustments**	**28,427,127.33**	**2,655,181.19**
1.	**Share capital (fund) at the beginning of the period**	**19,216,599.50**	**8,000,000.00**
1.1.	**Changes in share capital (fund)**	**0.00**	**0.00**
	a) increase (due to)	0.00	0.00
	- issuance of shares		
	- allocation of a portion of the reserve capital		
	- allocation of retained earnings		
	b) decrease (due to)	0.00	0.00
	- redemption of shares		
1.2.	**Share capital (fund) at the end of the period**	**19,216,599.50**	**8,000,000.00**
2.	**Reserve capital (fund) at the beginning of the period**	**15,515,391.25**	**0.00**
2.1.	**Changes in reserve capital (fund)**	**0.00**	**0.00**
	a) increase due to	0.00	0.00
	- issuance of shares above par value		
	- from profit distribution (statutory)		
	- from profit distribution (exceeding the statutory minimum)		
	- transfer of revaluation reserve		
	b) decrease due to	0.00	0.00

	- to cover the loss		
	- allocated for dividend payment		
2.2.	**Balance of the reserve capital (fund) at the end of the period**	**15,515,391.25**	**0.00**
3.	**Revaluation reserve at the beginning of the period - changes in accounting principles (policies)**	**0.00**	**0.00**
3.1.	**Changes in revaluation reserve**	**0.00**	**0.00**
	a) increase (due to)	0.00	0.00
	b) decrease (due to)	0.00	0.00
	- disposal of fixed assets		
3.2.	**Revaluation reserve at the end of the period**	**0.00**	**0.00**
4.	**Other reserve capital (funds) at the beginning of the period**	**0.00**	**0.00**
4.1.	**Changes in other reserve capital (funds)**	**0.00**	**0.00**
	a) increase (due to)	0.00	0.00
	- allocation of profit		
	b) decrease (due to)	0.00	0.00
4.2.	**Other reserve capital (funds) at the end of the period**	**0.00**	**0.00**
5.	**Retained earnings (losses) at the beginning of the period**	**-5,344,818.81**	**-5,082,086.83**
5.1.	**Retained earnings at the beginning of the period**	**0.00**	**0.00**
	- change in accounting principles (policies)		
	- corrections of errors		
5.2.	**Retained earnings at the beginning of the period, after adjustments**	**0.00**	**0.00**
	a) increase (due to)	0.00	0.00
	- distribution of retained earnings		
	b) decrease (due to)	0.00	0.00
	- transfer to supplementary capital		
	- transfer to reserve capital		
5.3.	**Retained earnings at the end of the period**	**0.00**	**0.00**
5.4.	**Loss carried forward at the beginning of the period**	**-5,344,818.81**	**-5,082,086.83**
	- change in accounting principles (policies)		
	- corrections of errors		
5.5.	**Losses from prior years at the beginning of the period, after adjustments**	**-5,344,818.81**	**-5,082,086.83**
	a) increase (due to)	960,044.61	3,224.80
	- transfer of losses from previous years to be offset	960,044.61	3,224.80
	b) decrease (due to)	0.00	0.00
	- covered from retained earnings		
	- covered by reserve capital		
5.6.	**Losses from prior years at the end of the period**	**-6,304,863.42**	**-5,085,311.63**
5.7.	**Retained earnings (loss) at the end of the period**	**-6,304,863.42**	**-5,085,311.63**
6.	**Net income**	**-9,543,037.58**	**-417,085.82**
	a) net profit		
	b) net loss	-9,543,037.58	-417,085.82
	c) write-offs from profit		
II.	**Equity at the end of the period (BZ)**	**18,884,089.75**	**2,497,602.55**

III.	**Equity (fund), after taking into account the proposed distribution of profit (coverage of loss)**	**18,884,089.75**	**2,497,602.55**

II. INFORMATION ON THE PRINCIPLES ADOPTED IN THE PREPARATION OF THE REPORT, INCLUDING INFORMATION ON CHANGES IN THE APPLICABLE ACCOUNTING PRINCIPLES (POLICIES)

The accounting principles applied by the entity are in accordance with the provisions of the Accounting Act of September 29, 1994 (as amended) and are consistent with the principles of continuity and comparability of financial data.

In the first quarter of 2026, the Company's Management Board did not introduce any changes to the accounting policies. The financial statements for the current and prior reporting periods were prepared using consistent accounting principles (policies) and methods of data presentation.

The accounting records of BTCS S.A. (formerly Vakomtek S.A.) have been maintained at a new accounting office since August 21, 2025, namely: Rachkart Beata Kamińska, 62 Hubala-Dobrzańskiego St., 05-082 Stare Babice.

The company's fiscal year is the calendar year beginning on January 1 and ending on December 31. The accounting books are closed as of the date ending the fiscal year. The fiscal year consists of interim reporting periods, which are consecutive calendar months.

Adopted accounting principles:

The entity prepares the income statement in a comparative format. Net income
consists of:

- net sales,
- income from other operating activities,
- gross profit including financial transactions, Cost

records are maintained on a nature-of-expense basis.

The entity uses the indirect method to prepare the statement of cash flows.

If the conditions specified in Article 64(1) of the Accounting Act, in conjunction with Article 45(3), are met, the entity prepares a statement of changes in equity.

In the financial statements, the entity presents economic events in accordance with their economic substance, using the following measurement methods:

- Intangible Assets and Property, Plant, and Equipment

Intangible assets and property, plant, and equipment are measured at acquisition cost or production cost, less accumulated depreciation and impairment losses. Depreciation is calculated based on the annual depreciation schedule. Assets with a value not exceeding PLN 10,000 are recorded off-balance sheet and written off in a single entry as an expense at the time of their transfer to use / are recorded on the balance sheet and written off in full at the time of purchase.

Fixed assets are depreciated using the straight-line method based on depreciation rates set forth in the Act of February 15, 1992, on Corporate Income Tax (consolidated text: Journal of Laws of 2000, No. 54, item 654, as amended; § 16a–16m).

The Company depreciates fixed assets used under lease agreements in proportion to the term of the agreement.

- Long-term investments (digital assets)

Long-term investments are recognized in the accounting records at cost. At the end of each month, the Company revalues its long-term investments.

- Inventories

Inventories are reported on the balance sheet at net value, i.e., net of impairment losses. Inventories are valued at cost.

If inventory has lost its utility or usefulness, the cost is written down to the net realizable value. The Company uses the FIFO (first-in, first-out) method to determine the cost of goods sold.

- Receivables

Long-term receivables, short-term receivables, and claims are reported at the amount due, net of impairment losses.
Value adjustments were made based on an analysis of the aging structure of receivable balances, taking into account the degree of risk associated with a given receivable.

- Foreign currency valuation methods

Transactions denominated in foreign currencies are recognized in the accounting records as of the date of their execution, at the exchange rate:
- actually applied on that date, resulting from the nature of the transaction—in the case of the sale or purchase of currencies and the payment of receivables or liabilities,
- the average exchange rate announced for the currency by the National Bank of Poland on the day preceding that date
- in the case of other transactions, as well as in the case of payment of receivables or liabilities, if it is not reasonable to apply the actual exchange rate referred to above.

The Company has adopted the principle of determining the value of cash outflows denominated in foreign currencies using the FIFO method (“first in, first out”).
At least as of the balance sheet date, the following items denominated in foreign currencies are measured:
- assets (excluding investments in subsidiaries accounted for using the equity method) and liabilities—at the average exchange rate for that currency announced by the National Bank of Poland on that date,
- cash held by entities engaged in the purchase and sale of foreign currencies—at the exchange rate at which it was purchased, but not higher than the average exchange rate announced for that currency by the National Bank of Poland as of the valuation date.

- Provisions and accrued expenses

The Company establishes provisions for certain or probable losses and for costs not yet incurred but attributable to the fiscal year (in accordance with the matching principle).

The Company establishes a deferred income tax provision in the amount of income tax required to be paid in the future due to the existence of taxable temporary differences, i.e., differences that will increase the income tax base in the future.
The Company recognizes deferred tax assets in the amount expected to be deductible from income tax in the future, in connection with deductible temporary differences that will reduce the income tax base in the future, and in connection with deductible tax losses, determined in accordance with the principle of prudence.
The amount of deferred income tax liabilities and assets is determined using the income tax rates in effect in the year the tax liability arises.

III. SUMMARY OF THE ISSUER'S SIGNIFICANT ACHIEVEMENTS OR FAILURES DURING THE PERIOD COVERED BY THE REPORT, TOGETHER WITH A DESCRIPTION OF THE MOST IMPORTANT FACTORS AND EVENTS, IN PARTICULAR THOSE OF AN UNUSUAL NATURE, AFFECTING THE RESULTS ACHIEVED

The Company's Results for the First Quarter of 2026

Income Statement

	item	for the period 01/01/2026 - March 31, 2026	for the period 01/01/2025 - March 31, 2025	change March 31, 2026
A.	Net sales revenue and equivalent items, including:	1,500,140.00	935,616.93	60.34%
B.	Operating expenses	1,768,226.87	1,334,544.46	32.50%
C.	Profit (loss) on sales (A-B)	-268,086.87	-398,927.53	-32.80%
D.	Other operating income	1.13	336.20	-99.66%
E.	Other operating expenses	1.11	0.15	640.00%
F.	Operating income (loss) (C+D-E)	-268,086.85	-398,591.48	-32.74%
G.	Financial income	26,364,847.55	2,979.07	777,843.35%
H.	Financial expenses	35,639,798.28	21,473.41	165,871.77%
I.	Gross profit (loss) (F+G-H)	-9,543,037.58	-417,085.82	2,952.71%
J.	Income tax	0.00	0.00	-
K.	Other mandatory reductions in profit (increases in loss)	0.00	0.00	-
L.	Net profit (loss) (I-J-K)	-9,543,037.58	-417,085.82	2,952.71%

In **the first quarter** of **2026**, BTCS S.A. continued to operate under a business model based on **the Active Treasury strategy** and the management of a portfolio of digital assets and financial instruments. This model significantly determines the structure of the income statement, in which financial activities play a dominant role.

Net sales **revenue** and equivalent items amounted to PLN 1.50 million compared to PLN 0.94 million in the corresponding period of the previous year, representing **a 60.34% increase year-over-year.** The main source of revenue was operating activities in the areas of technology services and strategic consulting. Operating expenses amounted to PLN 1.77 million, compared to PLN 1.33 million a year earlier (an increase of 32.50% year-over-year). Consequently, **the loss on sales decreased to PLN 268,100 compared to** PLN **398,900** in the first quarter of 2025, representing an improvement of 32.8%.

The Management Board emphasizes that **the operating result** is not currently a key measure of the Company's operational efficiency, as the primary area of activity remains digital asset management and investment activities conducted under the Active Treasury model. The level of operating costs is primarily related to maintaining the organizational, technological, and competency infrastructure necessary to conduct operations in this area.

Other operating revenues and expenses had a marginal impact on the financial result for the period.

The Company's financial results for the first quarter of 2026 were significantly influenced by **financial activities**. **Financial income amounted to PLN 26.36 million,** while financial expenses reached PLN 35.64 million. The significant scale of both items results primarily from the accounting recognition of changes in the valuation of the digital asset portfolio, as well as from the recognition of costs related to external financing, including interest expenses and foreign exchange differences.

The Management Board notes that a significant portion of both financial income and expenses is unrealized and non-cash in nature and results solely from the requirement to measure assets and liabilities at fair value as of the reporting date. Consequently, the reported net result does not fully reflect cash flows or the Company's actual ability to generate cash during the period under review.

The net loss for the first quarter of 2026 amounted to PLN 9.54 million, compared to a loss of PLN 0.42 million a year earlier. The high volatility of the net result is directly related to market volatility in digital assets and the accounting principles applied to their valuation, rather than a deterioration in the Company's operating performance.

The Management Board emphasizes that operations under the Active Treasury model involve significant periodic fluctuations in accounting results, while simultaneously focusing on the long-term growth in the value of the managed asset portfolio. Therefore, the income statement results should be analyzed in conjunction with the balance sheet and cash flows, which more accurately reflect the Company's actual financial position.

In the first quarter of 2026, the Company not only continued its operations under the Active Treasury model but also increased the level of its operational utilization, transitioning from the asset portfolio-building stage to the phase of active management and monetization.

During the period under review, the Issuer implemented its strategy across several complementary areas, including in particular:

- the use of Bitcoin-based derivatives in the form of cash-secured transactions, aimed at generating option premiums and accumulating the underlying asset,
- participation in liquidity provision programs within the developing Bitcoin Layer-2 ecosystem, enabling the generation of recurring income from the provision of digital assets,
- development of infrastructure activities in the blockchain technology sector, including the launch and operational use of a validator on the ZIGChain network and participation in staking mechanisms,
- utilization of token lending models and DeFi solutions to optimize the income structure from held assets.

Structure and dynamics of selected asset items (data in PLN)

	Description	As of March 31, 2026	Balance as of March 31, 2025	Structure as of March 31, 2026	Change March 31, 2026
A.	Non-current assets	61,002,551.98	195,604.87	98.46%	31,086.62%
I.	Intangible assets	0.00	32,351.64	0.00%	-100.00%
II.	Property, plant, and equipment	0.00	27,003.86	0.00%	-100.00%
III.	Long-term receivables	0.00	0.00	0.00%	-
IV.	Long-term investments	61,002,551.98	0.00	98.46%	-
V	Long-term accruals	0.00	136,249.37	0.00%	-100.00%
B.	Current assets	952,487.92	2,798 203.69	1.54%	-65.96%
I.	Inventory	0.00	2,140 285.24	0.00%	-100.00%
II.	Current receivables	847,845.10	484,090.82	1.37%	75.14%
III.	Short-term investments	89,149.83	172,343.34	0.14%	-48.27%
IV.	Short-term accruals	15,492.99	1,484.29	0.03%	943.80%
C.	Payments due to capital (fund) share capital	0.00	0.00	0.00%	-
D.	Treasury shares	0.00	0.00	0.00%	-
	Total assets	61,955,039.90	2,993 808.56	100.00%	1,969.44

An analysis of the balance sheet data as of March 31, 2026 confirms the full consolidation of BTCS S.A.'s business model, based on the concentration of assets in the area of financial investments, particularly digital assets. The Company's balance sheet structure is a direct result of the strategic transformation carried out and is consistent with the long-term assumptions of the Active Treasury model.

As of March 31, 2026, **total** assets amounted to PLN 61.96 million, compared to PLN 2.99 million a year earlier, representing a year-over-year increase of 1,969.44%. The scale of asset growth is a consequence of the expansion of the Company's investment portfolio, comprising primarily digital assets classified as long-term investments.

The asset structure remains clearly dominated by **fixed assets**, which **at the end of the first quarter of 2026 amounted to PLN 61.00 million** and accounted for 98.46% of the balance sheet total. The key and practically the only significant item in this group is long-term investments comprising a portfolio of digital assets built and managed as part of the Active Treasury strategy.

Compared to the same period of the previous year, **items related to the previous operating model**—including inventory, property, plant, and equipment, and intangible assets—**were completely phased out**. This change reflects the Company's full transition to a model focused on the management of financial and digital assets.

Current assets amounted to PLN 0.95 million and accounted for 1.54% of the balance sheet total, compared to PLN 2.80 million a year earlier. Their structure is ancillary and operational in nature relative to the Company's main area of

. The most significant item of current assets was short-term receivables in the amount of PLN 0.85 million, which increased by 75.14% year-over-year. Short-term investments amounted to PLN 89,100 compared to PLN 172,300 a year earlier.

The absence of inventory and the limited level of current assets confirm that the Company does not commit capital to commercial or manufacturing activities, focusing instead on long-term asset portfolio management and activities related to the blockchain ecosystem.

The first quarter of 2026 should be viewed as a period of continued operational utilization of accumulated assets and development of the Active Treasury model, rather than a restructuring of the balance sheet. **Digital assets remain a central element of the Company's business model**, serving both an investment and operational function within activities related to blockchain infrastructure, including validation processes, staking, and DeFi solutions.

The Management Board notes that the volatility of asset values, including their periodic fluctuations, is a natural part of operations conducted under the Active Treasury model and remains directly linked to the market valuation of digital assets. At the same time, a significant portion of the changes in the portfolio's value is unrealized and results from accounting principles regarding the valuation of assets as of the balance sheet date, which means that it does not directly affect the Company's liquidity position.

Structure and dynamics of selected liability items (data in PLN)

	Item	Balance as of March 31, 2026	Balance as of March 31, 2025	Structure as of March 31, 2026	Dynamics March 31, 2026
A.	Equity	18,884,089.75	2,497,602.55	30.48%	656.09%
I.	Share capital	19,216,599.50	8,000,000.00	31.02%	140.21%
II.	Reserve capital (fund), including:	15,515,391.25	0.00	25.04%	-
III.	Revaluation reserve , including:	0.00	0.00	0.00%	-
IV.	Other reserve capital (funds)	0.00	0.00	0.00%	-
V.	Retained earnings (losses)	-6,304,863.42	-5,085,311.63	-10.18%	23.98%
VI.	Net income (loss)	-9,543,037.58	-417,085.82	-15.40%	2,188.03%
VII.	Deductions from net profit during the fiscal year (negative amount)	0.00	0.00	0.00%	-
B.	Liabilities and provisions for liabilities	43,070,950.15	496,206.01	69.52%	8,580.05%
I.	Provisions for liabilities	0.00	3,729.26	0.00%	-100.00%
II.	Long-term liabilities	29,352,576.62	13,588.20	47.38%	215,915.19%
III.	Current liabilities	13,236,296.95	478,888.55	21.36%	2,663.96%
IV.	Accruals and deferrals	482,076.58	0.00	0.78%	-
	Total liabilities	61,955,039.90	2,993,808.56	100.00%	1,969.44%

As of March 31, 2026, the equity of BTCS S.A. amounted to PLN 18.88 million compared to PLN 2.50 million a year earlier, representing **an increase of 656.09% year-over-year.** This level is the result of capital transactions carried out in previous periods, including an increase in share capital and the creation of a share premium reserve, adjusted for the net loss reported in the period under review and losses from prior years.

Share capital as of the balance sheet date amounted to PLN 19.22 million compared to PLN 8.00 million a year earlier, while the share premium reserve reached PLN 15.52 million. At the same time, the net loss for the first quarter of 2026 amounted to PLN 9.54 million compared to a loss of PLN 0.42 million in the corresponding period of the previous year.

Compared to the end of 2025, the level of equity decreased, which is a direct result of the negative financial result for the first quarter of 2026, which—as indicated earlier—is largely the result of the valuation of financial assets and is predominantly non-cash in nature.

The Management Board emphasizes that, in parallel with the reported accounting result, the Company continued to monetize assets during the period under review as part of its Active Treasury strategy, developing revenue streams related to the operational use of its digital asset portfolio.

In particular, activities in the area of:

- option premiums,
- liquidity provision fees,
- validation and staking rewards,
- lending mechanisms and DeFi,

form the basis for building operational revenue streams independent of the current balance sheet valuation of assets.

Liabilities and provisions for liabilities constitute the dominant position in the liability structure, with a value of PLN 43.07 million as of the balance sheet date, compared to PLN 0.50 million a year earlier. This structure remains consistent with the adopted business financing model, which assumes the use of external capital to increase the scale of investment activities and effectively manage the digital asset portfolio.

As in previous periods, liabilities are predominantly long-term in nature and amounted to PLN 29.35 million. Short-term liabilities stood at PLN 13.24 million, compared to PLN 0.48 million a year earlier. The increase in short-term liabilities is related to the Company's current financial and operating activities and the expansion of its business operations.

The Management Board emphasizes that the structure of liabilities remains aligned with the nature of the business and the Company's long-term investment horizon. External financing is an integral part of the implementation of the Active Treasury strategy and is utilized in a manner that enables the expansion of investment exposure and the active management of the digital asset portfolio.

The first quarter of 2026 did not bring any significant changes to the Company's business financing model, and the observed changes in the structure of liabilities are primarily of a result-based and operational nature, rather than structural.

II. SELECTED FINANCIAL DATA

The Company's selected financial data for the first quarter of 2026, along with comparative data for the first quarter of 2025

are presented in the table below. The data is expressed in Polish zlotys (PLN). The conversion of selected items into EUR will be presented in accordance with the average exchange rates of the National Bank of Poland in the full financial statements subject to audit or review by a certified public accountant.

Item (in PLN)	**Q1 2026**	**Q1 2025**
Net sales revenue	1,500,140.00	935,616.93
Operating income (loss)	-268,086.85	-398,591.48
Gross profit (loss)	-9,543,037.58	-417,085.82
Net profit (loss)	-9,543,037.58	-417,085.82
Net cash flow from operating activities	8,917,665.09	68,278.64
Item (as of, in PLN)	**March 31, 2026**	**March 31, 2025**
Total assets	61,955,039.90	2,993,808.56
Equity	18,884,089.75	2,497,602.55
Total liabilities	43,070,950.15	496,206.01
Number of shares	38,433,199	16,000,000
Book value per share (PLN)	0.49	0.16
Earnings (loss) per share (PLN)	-0.25	-0.03

The number of shares as of March 31, 2025 (16,000,000 shares) reflects the situation prior to the issuance of Series F shares registered in October 2025

. Complete selected financial data converted to EUR at the average exchange rates of the National Bank of Poland will be presented in the Company's financial statements subject to audit or review.

III. MANAGEMENT BOARD COMMENTARY ON CIRCUMSTANCES AND EVENTS SIGNIFICANTLY AFFECTING THE ISSUER'S OPERATIONS IN THE FIRST QUARTER OF 2026

This section contains the Management Board's comprehensive commentary on the financial position, liability structure, characteristics of the key long-term liability, key operating indicators in the DATCO model, and a timeline of significant corporate and operational events in the first quarter of 2026.

Liquidity Position and External Financing Structure

Due to the specific nature of the Active Treasury model and the fact that traditional liquidity ratios calculated based on current assets do not fully reflect BTCS S.A.'s actual ability to settle its liabilities, the Management Board supplements the analysis with additional information regarding the structure of external financing and the method of liquidity management.

As of March 31, 2026, the Company's total liabilities, excluding accruals, amounted to PLN 42.59 million and included long-term liabilities of PLN 29.35 million and short-term liabilities of PLN 13.24 million.

Loans and borrowings constituted the dominant component of the liability structure, with a total value of PLN 41.41 million. The remaining portion of liabilities consisted primarily of trade payables, public law liabilities, and other financial liabilities related to the Company's current operating and investment activities.

The Management Board emphasizes that external financing is an integral part of the Active Treasury strategy and serves to increase the scale of investment activities and effectively manage the digital asset portfolio. The financing structure has been adapted to the nature of the business and the Company's long-term investment horizon.

At the same time, the Management Board notes that a significant portion of the Company's assets has high market liquidity, which enables flexible management of the balance sheet structure and ongoing adjustment of the level of investment exposure to market conditions and the Company's liquidity needs.

Characteristics of the Key Long-Term Liability – Digital Asset Access Agreement with BIOINFO CORPORATION

Due to the unusual nature of the long-term liability constituting the dominant item on the liabilities side (PLN 29.35 million, i.e., 49.95% of the balance sheet total), the Company's Management Board considers it important to present a detailed description of this item. A full understanding of the structure of this liability is essential for a reliable assessment of the Company's financial position.

Origin and parties to the agreement. On September 23, 2025, the Company entered into a Digital Asset Access Agreement ("Main Agreement") with BIOINFO CORPORATION, as disclosed in ESPI Current Report No. 24/2025. Upon fulfillment of the conditions precedent, including the conclusion of a guarantee agreement (ESPI Current Report No. 28/2025 of September 29, 2025), on September 29, 2025, the Company received 115 (one hundred fifteen) Bitcoin (BTC) units from BIOINFO CORPORATION, which the Company confirmed in ESPI Current Report No. 29/2025. The value of the digital assets made available on the date of execution of the Master Agreement was USD 12,937,500. It should be noted that BIOINFO CORPORATION is also a significant shareholder of the Company, holding an 18.35% stake in the share capital, which the Company discloses transparently.

Historical context – the original agreement with TTP Limited. For full transparency, the Company informs that the original Digital Asset Access Agreement was originally concluded on September 16, 2025, between the Company and TTP Limited, based in Gibraltar (RB ESPI No. 21/2025), which was the Company's largest shareholder (holding a 38.21% stake in the share capital). This agreement was subsequently terminated by the Company on September 25, 2025, with a 3-day contractual notice period (RB ESPI No. 26/2025 of September 29, 2025), effective as of the end of the day on September 28, 2025. In its place, a Master Agreement was entered into with BIOINFO CORPORATION, which is the source of the balance sheet liability described in this report.

Tripartite Guarantee Agreement. On September 29, 2025, concurrently with the Master Agreement, a tripartite Guarantee Agreement (RB ESPI No. 28/2025) was entered into, with the following parties: the Company as the Debtor, BIOINFO CORPORATION as the Creditor, and TTP Limited as the Guarantor. The execution of the guarantee was a condition precedent for the Main Agreement to take effect and for the transfer of 115 BTC to the Company. TTP Limited provided a guarantee for the Company's obligations up to a maximum amount of USD 15,525,000 (equivalent to 120% of the value of the digital assets provided). The guarantee expires upon the effective issuance and grant to the Creditor of registered subscription warrants or upon the Company's full return of the Digital Assets. The Company transparently discloses that TTP Limited is the Company's largest shareholder (38.21% of the share capital).

Status of corporate work regarding the conversion mechanism. On December 29, 2025, the Company's Management Board published an opinion justifying the exclusion of shareholders' preemptive rights and specifying the method for determining the issue price of the subscription warrants and the shares that the Company intends to issue (RB ESPI No. 48/2025, pursuant to Art. 433 § 2 and 6 of the Commercial Companies Code). On March 17, 2026, an Extraordinary General Meeting of Shareholders of the Company was held (RB EBI No. 7/2026), at which the resolutions on the agenda were adopted. The foregoing constitutes the formal and legal basis for the potential exercise of the option to convert the liability into shares, described in point b) below.

Economic nature of the liability—denominated in Bitcoin. A key feature distinguishing this agreement from typical financial liabilities is the fact that the Company's liability is denominated in Bitcoin units (115 BTC) rather than in traditional currency (PLN, USD, or EUR). In accordance with accounting principles, as of each balance sheet date, this liability is converted into PLN at the current market rate of Bitcoin. As of March 31, 2026, the carrying amount of the liability is PLN 29.35 million, which corresponds to the market valuation of 115 BTC at the rate prevailing on that date.

Natural economic hedge. The 115 BTC received under the agreement has been incorporated into the Company's digital asset portfolio, where it is utilized as part of the Active Treasury strategy (including to generate option premiums in cash-secured put transactions and to participate in Bitcoin Layer-2 liquidity programs). Consequently, the Company's exposure to Bitcoin price volatility risk with respect to this transaction is economically neutralized—an increase or decrease in the price of BTC causes a parallel change in the value of the asset (BTC in the portfolio) and the value of the liability (115 BTC to be returned or converted), which offset each other. This mechanism has the characteristics of a so-called natural hedge, known from international financial practice.

Mechanisms for settling the liability. In accordance with the provisions of the Master Agreement, the liability will be settled in one of two ways (the choice between the following does not require the Company to obtain funds in traditional currencies):

a) return of Digital Assets in kind—the Company returns 115 BTC units to BIOINFO CORPORATION by the deadline specified in the Master Agreement. This mechanism does not require liquidating the portfolio on the market or raising funds in traditional currencies—settlement occurs using an asset of the same class that the Company holds in its portfolio;

b) conversion of the liability into Company shares—under the second option, the liability to BIOINFO CORPORATION may be settled by issuing new shares of the Company, under the terms specified in the Master Agreement. In this scenario, the liability is converted into the Company's equity, which means no outflow of cash or digital assets from the Company's balance sheet, while simultaneously strengthening the Company's capital position at the expense of diluting the existing shareholder base.

Impact on the income statement. Changes in the carrying amount of the liability resulting from the revaluation of Bitcoin as of each balance sheet date are recognized in the Company's income statement. In the first quarter of 2026, due to a decline in the BTC price, the carrying amount of the liability decreased, which was reflected in the "foreign exchange differences" and "revaluation of financial assets" items of the income statement. Due to the natural hedge mechanism described above, these changes are largely offset by parallel changes in the valuation of assets (BTC in the Company's portfolio), resulting in the Company having no material economic exposure to Bitcoin price volatility with respect to this specific transaction.

No need to raise cash. Due to the structure of the agreement, in none of the settlement scenarios (return of Digital Assets or conversion into shares) is the Company required to raise cash in traditional currencies to service this position. Thus, although this item dominates the balance sheet structure of liabilities, its impact on the Company's current liquidity position is limited, and refinancing risk (typical of traditional debt) does not apply here.

Other credit liabilities. The remaining portion of the Company's liabilities arising from loans and borrowings (PLN 12.05 million classified as short-term) constitutes traditional cash financing. However, this item is fully covered by the value of digital assets other than those related to the transaction with BIOINFO CORPORATION (i.e., 199.16 BTC in the portfolio versus 115 BTC covered by the Master Agreement, which means 84.16 BTC remaining at the Company's free disposal with a market value of approximately PLN 21.46 million as of the balance sheet date, plus ecosystem tokens and USDC).

External financing is project-specific and was obtained as part of the implementation of the Active Treasury strategy for the purpose of accumulating a portfolio of digital assets. The market value of the Company's digital assets as of the balance sheet date was PLN 57.81 million, which exceeds the total value of the Company's financial liabilities (loans and borrowings in the amount of PLN 41.41 million) by approximately PLN 16.40 million (coverage ratio of 1.40x). Digital assets, despite being classified on the balance sheet as long-term investments, are characterized by high market liquidity—in particular, Bitcoin, which accounts for 83.33% of the portfolio's value, is the most liquid digital asset with a global trading volume of tens of billions of dollars per day.

The Company's ability to service its short-term liabilities is ensured primarily by:

a) generating positive cash flows from operating activities (PLN 8.92 million in the first quarter of 2026), derived from option premiums, liquidity provision fees, and validation rewards,

b) the ability to partially liquidate the digital asset portfolio (in particular Bitcoin) on a highly liquid global market in the short term,

c) the ability to refinance short-term liabilities as part of standard financial activities.

The Management Board monitors the Company's liquidity situation on an ongoing basis and implements a policy for managing currency risk and the risk of fluctuations in the valuation of digital assets. As of the date of this report, the Management Board does not identify any threats to the Company's ability to continue as a going concern over the next 12 months.

Key financial ratios of BTCS S.A.

	Content	**As of March 31, 2026**	**As of March 31, 2025**
1	**Ratios characterizing the profitability of operations**		
1.1.	**Return on assets** net income / total assets	-15.40%	-13.93%
1.2.	**Return on equity** net income / equity	-50.53%	-16.70%
1.3.	**Net profit margin** net financial result / revenue from sales of products and goods	-636.14%	-44.58%
1.4.	**Gross profit margin** profit on sales of products and goods / net revenue from sales of products and goods	-17.87%	-42.64%
2	**Financial liquidity ratios**		
2.1.	**Liquidity - Current Ratio I** total current assets / current liabilities	0.07	5.84
2.2.	**Liquidity - Current Ratio II** Total current assets - inventory / current liabilities	0.07	1.37
2.3.	**Liquidity - Current Ratio** cash and other monetary assets / current liabilities	0.01	0.22
2.4.	**Long-term liquidity** Total assets / Current and non-current liabilities	1.45	6.08
3	**Asset management efficiency ratios**		

3.1.	**Receivables turnover ratio** Trade receivables × number of days in the period / net revenue from sales of products and goods (in days)	27	27
3.2.	**Speed of repayment of liabilities** trade payables x number of days in the period / value of goods and materials sold + cost of goods sold (in days)	N/A	23
3.3.	**Inventory turnover** inventory x number of days in the period / value of goods and materials sold + cost of goods sold (in days)	N/A	188
	excluding advance payments for deliveries	N/A	67
4	**Ratios characterizing capital commitment and return on capital**		
4.1.	**Return on equity ratios (in years)** equity / net income	-2	-6
4.2.	**Equity-to-assets ratio** equity / total assets	30.48%	83.43%
4.3.	**Equity-to-fixed-assets ratio** equity / fixed assets	30.96%	1,276.86%
4.4.	**Sustainability of the financing structure** equity + long-term reserves + long-term liabilities / total liabilities	77.86%	83.88%
5	**Net asset ratios**		
5.1.	**Net assets** Total assets - Total liabilities	18,884 089.75	2,497 602.55
5.2.	**Return on validation rewards** rewards received / net assets	23.14%	0.00%

The first quarter of 2026 marked a period of continued operations for BTCS S.A. under a stabilized business model based on the Active Treasury strategy and the management of a digital asset portfolio. The financial ratios presented reflect the Company’s current operations, with a significant impact from market factors, particularly the volatility of digital asset valuations.

Ratios characterizing the profitability of operations deteriorated compared to the corresponding period of the previous year, which resulted directly from the net loss for the first quarter of 2026. Return on assets stood at -15.40% compared to -13.93% a year earlier, while return on equity stood at -50.53% compared to -16.70% a year earlier. However, the deterioration in profitability ratios is primarily of an accounting nature and is directly related to the valuation of financial assets, rather than a change in the Company’s operational efficiency.

Sales profitability ratios remain negative, although gross sales profitability improved significantly and stood at -17.87% compared to -42.64% a year earlier, reflecting a reduction in the operating loss. Net sales profitability stood at -636.14% compared to -44.58% a year earlier, which is a consequence of the relatively low level of operating revenue relative to net income, which is primarily determined by financial activities.

Financial liquidity ratios at the end of the first quarter of 2026 decreased, standing at 0.07 for current liquidity and 0.01 for quick liquidity, respectively. The low level of these ratios results primarily from the adopted balance sheet structure, in which digital assets classified as long-term investments constitute the dominant position.

The Management Board emphasizes that traditional liquidity ratios have limited analytical value in the context of the Company's business model. A significant portion of the digital asset portfolio, despite its balance sheet classification as non-current assets, is characterized by relatively high market liquidity and can be used to settle liabilities. Consequently, the Company's actual liquidity remains higher than indicated by the presented balance sheet ratios.

The long-term liquidity ratio stood at 1.45 compared to 6.08 a year earlier, confirming the continued ability to cover liabilities with total assets despite a significant increase in the scale of external financing.

Asset management efficiency ratios remain limited in their interpretation due to the specific nature of the Company's operations and the absence of commercial and warehousing activities. The Company does not report inventory, while the accounts receivable turnover cycle remained at 27 days, confirming the stable nature of operating settlements.

In terms of the financing structure, there is a visible increase in the share of debt. **The equity-to-assets ratio** stood at 30.48% compared to 83.43% a year earlier, which results from the use of external financing to expand the scale of investment activities. At the same time, the financing structure stability ratio stood at 77.86%, confirming the significant share of long-term financing in the liability structure.

As of March 31, 2026, the Company's net assets amounted to PLN 18.88 million, compared to PLN 2.50 million a year earlier. **The return on validation rewards reached 23.14%,** confirming the growing importance of activities related to blockchain infrastructure and staking mechanisms as one of the elements of the value generation model.

In summary, the financial ratios for the first quarter of 2026 reflect the specific nature of the Company's operations under the Active Treasury model, in which market factors and the valuation of digital assets have a key impact on results, while traditional measures of efficiency and liquidity require supplementary interpretation in the context of the balance sheet structure and the nature of the investment activities conducted.

Cash Flow Statement

No.	Description	for the period 01/01/2026 - March 31, 2026	for the period 01/01/2025 - March 31, 2025
A.	Cash flows from operating activities		
III.	Net cash flows from operating activities (I+/-II)	8,917,665.09	68,278.64
B.	Cash flows from investing activities III.		
III.	Net cash flows from investing activities (I-II)	-3,877,747.06	0.00
C.	Cash flows from financing activities		

III.	**Net cash flows from financing activities (I-II)**	**-5,098,054.89**	**-5,372.34**

In terms of cash flows in the first quarter of 2026, BTCS S.A. reported significantly **positive cash flows from operating activities, which amounted to PLN 8.92 million** compared to PLN 0.07 million in the corresponding period of 2025. Positive operating cash flows confirm the Company's ability to generate positive cash flows from operating activities despite the reported net loss, which—as noted earlier—is predominantly non-cash in nature and results mainly from the balance sheet valuation of financial assets.

In the first quarter of 2026, the Company recorded negative cash flows from investing activities in the amount of PLN -3.88 million. This was related to the continued implementation of the investment strategy and the allocation of funds to the development of activities related to digital assets, blockchain infrastructure, and other investment projects supporting the Active Treasury model.

Cash flows from financing activities in the first quarter of 2026 were negative and amounted to PLN -5.10 million, compared to PLN -0.01 million a year earlier. The negative cash flows resulted primarily from servicing financial liabilities and settlements related to external financing obtained in previous periods.

The structure of cash flows in the period under review reflects a shift in the Company's development stage—from a phase of intensive financing acquisition and asset portfolio building to a phase of active asset management and operational monetization.

The Management Board emphasizes that in the Active Treasury model, traditional metrics based solely on sales revenue have limited analytical value, whereas cash flows, balance sheet structure, and the effectiveness of digital asset portfolio management are of key importance for assessing the Company's financial position.

The cash flow structure for the first quarter of 2026 confirms the Company's transition to the operational phase of utilizing and monetizing accumulated assets. Positive cash flows from operating activities, while maintaining investment activity, indicate the development of cash sources related to the implemented strategy.

In particular, positive operating cash flows resulted from:

- the execution of digital asset-based options strategies,
- the first settlements under liquidity provision programs,
- revenues related to validation and staking activities,
- the use of lending mechanisms and DeFi solutions supporting the monetization of the asset portfolio.

The Company's sales results in the first quarter of 2026

In the first quarter of 2026, BTCS S.A. generated net sales revenue and equivalent revenue of PLN 1.50 million, compared to PLN 0.94 million in the same period of the previous year, representing a 60.34% increase year-over-year. This growth confirms the stabilization and development of operating activities conducted under the new business model.

At the same time, sales activities do not constitute a key area of value creation for the Company, which is consistent with the adopted strategy of focusing on the management of a portfolio of financial assets, in particular digital assets, implemented under the Active Treasury model.

Operating expenses amounted to PLN 1.77 million compared to PLN 1.33 million a year earlier, which resulted in a reduction of the loss on sales to PLN 0.27 million compared to a loss of PLN 0.40 million in the corresponding period of the previous year. The improvement in the sales result confirms increased operational efficiency and maintained cost control while simultaneously expanding the scale of operations.

The Management Board emphasizes that the current level of revenue and sales results should be assessed in the context of the Company's target business model, in which the operational function is complementary to the investment and financial activities related to the management of the digital asset portfolio.

Compared to the transitional periods in 2025, **the first quarter of 2026 was characterized by the Company's stable operations under the new business model**, with no significant one-time events related to the phase-out of previous business areas. As a result, the presented sales results reflect the Company's current, target operational structure.

The Management Board of BTCS S.A. notes that the limited role of sales revenue in the earnings structure does not constitute a risk factor for the Company's operations, and an assessment of its prospects should primarily take into account financial performance, asset levels, the ability to generate cash flows, and the effectiveness of monetizing the digital asset portfolio.

In summary, the first quarter of 2026 should be viewed as a period of further confirmation of the effectiveness of the adopted business model. The Company is developing its ability to generate revenue from its digital assets while maintaining exposure to potential growth in their market value.

The Active Treasury strategy being implemented involves the integration of the investment and operational functions of the asset portfolio, which, in the Management Board's assessment, forms the basis for building the Company's long-term value.

Key indicators for DATCO (Digital Asset Treasury Company) firms

Traditional financial metrics, such as return on sales or inventory turnover, have limited analytical value for companies operating under the Digital Asset Treasury Company (DATCO) model. The international market has developed a set of metrics tailored to such entities, which more accurately reflect the specific nature of operations based on digital asset portfolio management.

To enhance comparability with international entities operating under a digital asset-based treasury model (including Strategy / formerly MicroStrategy, Metaplanet, Semler Scientific, and LM Funding America), BTCS S.A. presents below selected metrics characteristic of the DATCO sector.

Ratio	Value as of March 31, 2026	Definition
Number of BTC in the portfolio	199.16 BTC	Total amount of Bitcoin in the Company's digital vault
Value of the BTC portfolio (PLN)	PLN 50.83 million	Valuation of BTC at the average NBP USD/PLN exchange rate as of the balance sheet date

BTC's share in the digital asset portfolio	83.33%	Concentration on the anchor asset (Bitcoin)
BTC per share (BTC/share)	0.00000518 BTC	Number of BTC / number of shares outstanding (38,433,199)
NAV (net asset value) per share	0.49 PLN	Net assets (PLN 18.88 million) / number of shares
Ratio of digital assets to liabilities	1.43x	Long-term investments (61.00 million) / total liabilities (42.59 million)
Operating cash flow / net loss	+8.92 million PLN vs – 9.54 million PLN	This indicates that the loss is an accounting loss, and the Company is actually generating cash

The most important indicator for evaluating the operations of DATCO-type companies **remains the ratio of operating cash flow to net income.** This ratio reflects a key assumption of the Active Treasury model: although the book value of the digital asset portfolio is subject to significant fluctuations recognized in the income statement, the Company can simultaneously generate positive cash flows from active portfolio management.

In the first quarter of 2026, BTCS S.A. generated PLN 8.92 million in positive cash flows from operating activities while reporting a net loss of PLN 9.54 million. This difference stems primarily from the non-cash nature of a significant portion of financial expenses related to the valuation of digital assets and the settlement of financial instruments.

The Management Board emphasizes that in the DATCO model, the following factors are of key importance for the assessment of operations:

- the ability to increase the value of digital assets per share,
- the effectiveness of monetizing the asset portfolio,
- generating positive operating cash flows,
- maintaining financial liquidity while utilizing external financing.

In subsequent reporting periods, the Management Board intends to expand the scope of reported metrics dedicated to DATCO-type companies, including, among others:

- BTC accretion ratios,
- average BTC acquisition cost (cost basis),
- the profitability of staking and validation activities,
- digital asset monetization efficiency ratios,
- the debt-to-market value ratio of digital assets.

Structure of the Company's digital asset portfolio

	As of March 31, 2026	As of May 11, 2026
ALT Coins	**ALT Coins in PLN**	**ALT Coins in PLN**
94,589,101.147	10,142,565.43	13,639,449.35
BTC	**BTC in PLN**	**BTC in PLN**
199.157285	50,832,864.92	58,513,989.44
USDC	**USDC in PLN**	**USDC in PLN**
7,250.2200	27,121.61	26,063.57

As of March 31, 2026, BTCS S.A.'s **digital asset portfolio** had a total value of approximately **PLN 61.00 million. Bitcoin** was the dominant asset**,** with a value of **PLN 50.83 million,** accounting for approximately **83.33% of the total value of the digital asset portfolio**. The company held **199.157285 BTC,** confirming the consistent implementation of the strategy to accumulate Bitcoin as the primary digital asset within the Active Treasury model.

The second significant group of assets consisted of **ALT Coins,** including in particular assets related to the **CoreDAO and ZIGChain** ecosystems**. Their value amounted to PLN 10.14 million,** which corresponded to **approximately 16.63%** of the value of the digital asset portfolio. These assets serve both an investment and an operational function, particularly through their use in validation, staking, and infrastructure activities.

A supplementary position was held by **USDC** funds worth **PLN 27,100, i.e., approximately 0.04% of the portfolio**, used primarily for day-to-day settlements and processing transactions within the digital asset ecosystem.

The portfolio structure confirms the Company's focus on Bitcoin as a key strategic asset, while maintaining selective involvement in blockchain projects of an infrastructure and staking nature, such as CoreDAO and ZIGChain.

The Management Board emphasizes that the diversification of part of the portfolio toward selected ALT Coin-type assets is complementary to the Bitcoin strategy and serves primarily to increase the operational monetization potential of digital assets, including generating revenue from validation, staking, providing liquidity, and DeFi solutions.

IV. TIMELINE OF KEY CORPORATE AND OPERATIONAL EVENTS IN THE FIRST QUARTER OF 2026

Below, the Company presents a chronological summary of significant events in the first quarter of 2026, along with references to the relevant EBI/ESPI current reports in which these events are described in detail:

January 7, 2026 – Closure of a previous position and conclusion of a new transaction on Bitcoin derivatives in cooperation with QCP Trading Pte. Ltd. (EBI Current Report dated January 7, 2026).

January 9, 2026 – Conclusion of an agreement with an audit firm to audit the Company's financial statements (EBI Current Report dated January 9, 2026).

January 12, 2026 – General Meeting – recess in the proceedings and resolutions adopted by the General Meeting (EBI Board Resolution of January 12, 2026).

January 16, 2026 - Admission of BTCS S.A. shares to trading on the Open Market (Freiverkehr) operated by the Frankfurt Stock Exchange under the symbol 36C.F. The dual listing significantly expands the Company's access to the eurozone investor base and increases the potential liquidity of share trading (EIB Board Resolution of January 16, 2026).

January 26, 2026 – Rollover of positions in Bitcoin derivatives in cooperation with QCP Trading Pte. Ltd. (EBI Bulletin dated January 26, 2026).

January 29, 2026 – Publication of the schedule for periodic reports in 2026 (EBI Board Resolution of January 29, 2026).

February 13, 2026 – Execution of an amendment to the agreement with ZIGChain Foundation. Increase in the cooperation volume to 30,000,000 ZIG and clarification of economic terms. This amendment confirms the deepening of the Company's partnership in one of the two key validation ecosystems (EBI Board Resolution of February 13, 2026).

February 13, 2026 – Rollover of positions in Bitcoin derivatives in cooperation with QCP Trading Middle East (EBI Board Resolution of February 13, 2026).

February 17, 2026 – Announcement of the convening of an Extraordinary General Meeting of BTCS S.A. on March 17, 2026, along with draft resolutions (EBI Board Resolution of February 17, 2026).

February 23, 2026 – Exercise of the Bitcoin PUT option as part of the collaboration with QCP Trading Middle East. Exercising the option entails purchasing BTC at a predefined strike price, which constitutes a planned element of the Company's accumulation strategy (EBI Board Resolution of February 23, 2026).

March 12, 2026 – Receipt of the first rewards under the liquidity provision program for the Bitcoin Layer-2 (L2) ecosystem – settlement after the first month of participation (EBI Board Resolution of March 12, 2026).

March 17, 2026 – Extraordinary General Meeting of BTCS S.A. – text of resolutions adopted by the General Meeting and list of shareholders holding at least 5% of the votes (EBI Board Resolution of March 17, 2026).

V. KEY PERFORMANCE INDICATORS OF THE DATCO MODEL

As the first Digital Asset Treasury Company on the Polish public market, the Company presents a set of indicators specific to this category of companies, which complement traditional financial analysis and better reflect the nature of operations under the Active Treasury model. These indicators align with the metrics used by global DATCO entities (including Strategy Inc.) and allow for a direct comparison of the Company with international peer companies.

Ratio	Definition / calculation method	Value as of March 31, 2026
Number of BTC in the treasury (units)	Bitcoin held by the Company	199.16 BTC
Value of the digital asset portfolio (PLN)	Balance sheet valuation of BTC + altcoins + USDC	PLN 61.00 million
BTC's share of the digital asset portfolio	Value of BTC / value of digital asset portfolio	83.33%
Digital assets / external debt (ratio)	Value of digital asset portfolio / total financial liabilities	1.47x
Number of shares issued	As of the date of this report	38,433,199
BTC per 1,000 shares	Number of BTC / (number of shares / 1,000)	0.00518 BTC
BTC value per share (PLN)	BTC value in PLN / number of shares	1.32 PLN

Net asset value per share (NAV/share, PLN)	Net assets / number of shares	PLN 0.49
Operating cash flow (PLN)	Cash flows from operating activities	PLN 8.92 million
Validation reward ratio (annualized)*	Rewards received (quarterly) x 4 / average value of the PoS altcoin portfolio	in the study**
Average acquisition cost of 1 BTC (PLN)***	Initial value of the BTC portfolio / number of BTC	calculation in progress

* The metric applies to validation rewards in Proof-of-Stake networks (CoreDAO, ZIGChain) and does not include revenue from option premiums (BTC) or Bitcoin Layer-2 liquidity programs.

** The Company is working on finalizing the indicator methodology based on a stable calculation basis (the average value of staked PoS altcoins during the period). The previously used ratio of 27.84% was calculated as the ratio of rewards received to the Company's net assets, which—due to fluctuations in the denominator caused by the balance sheet valuation of assets—could lead to unstable results. The target methodology will be consistent with the practice used by global DATCO-type entities.

*** The Company is considering publishing the average acquisition cost of 1 BTC in subsequent reporting periods to fully disclose the parameters of portfolio accumulation.

Comparison with a global benchmark.

Strategy Inc. (NASDAQ: MSTR), the world's largest Bitcoin treasury company, held approximately 766,970 BTC at an average acquisition cost of approximately $75,694 per BTC (total acquisition cost of approximately $58.02 billion compared to a portfolio fair value of approximately $51.65 billion as of the balance sheet date). In the first quarter of 2026, the company reported an unrealized loss on the valuation of its Bitcoin portfolio of $14.46 billion, predominantly of an accounting nature. MSTR's behavior during the period under review (continued accumulation of BTC despite the valuation loss—in the first quarter of 2026, it purchased approximately 88,000 BTC) confirms that valuation losses during a deep correction in the BTC market are an industry-wide phenomenon and do not undermine DATCO's long-term investment thesis.

VI. LIABILITY STRUCTURE AND FINANCIAL LIQUIDITY

The nature of the Active Treasury model, in which long-term investments in digital assets constitute the dominant position on BTCS S.A.'s balance sheet, means that classic liquidity ratios (current ratio 0.07; quick ratio 0.07) have limited analytical value. The Company's digital assets, despite their balance sheet classification as long-term investments, are characterized by high market liquidity and the ability to be liquidated relatively quickly.

As of March 31, 2026, the Company's digital asset portfolio was valued at approximately PLN 61.00 million, while short-term liabilities amounted to PLN 13.24 million, representing a coverage ratio of approximately 4.6 times. At the same time, Bitcoin, valued at PLN 50.83 million, constituted the dominant portion of the portfolio, being the asset with the highest liquidity among digital assets.

In practice, the Company's liquidity should be assessed through the lens of three complementary sources:

- the ability to liquidate the digital asset portfolio, particularly Bitcoin and selected altcoins,

- regular streams of operating revenue generated from option premiums, validation activities, staking, and liquidity provision programs,
- access to long-term external financing, the value of which as of the balance sheet date was PLN 29.35 million.

Positive operating cash flows of PLN 8.92 million generated in the first quarter of 2026 confirm the Company's ability to generate cash from ongoing operating activities on a scale sufficient to service current financial obligations without the need to significantly reduce exposure to its strategic portfolio of digital assets.

The Company monitors the maturity dates of its financial liabilities on an ongoing basis and maintains an active dialogue with financing institutions regarding refinancing or extending financing terms. As of the date of this report, the Management Board does not identify any risks to the timely servicing of financial liabilities or to the Company's ability to continue as a going concern.

VII. RISK FACTORS

Given the specific nature of the Company's operations under the Digital Asset Treasury Company model, the key risk factors listed below are presented; their materialization could have a significant impact on the Company's financial results and market position. The risk factors listed do not exhaust all possible risks but represent those that the Company's Management Board assesses as the most significant as of the date of this report.

Risk of volatility in the valuation of digital assets. The value of the Company's digital asset portfolio is subject to significant market fluctuations. In the first quarter of 2026, the price of Bitcoin fell from approximately $89,000 at the beginning of the period to approximately $66,700 at the end of the period (a decline of approximately 25% over the quarter). This volatility directly impacts the Company's financial results through periodic revaluations of long-term investments. Over the long investment horizon, the Management Board views this risk as a natural part of DATCO's operations, and the Active Treasury strategy aims to leverage volatility to accumulate assets at attractive levels.

Validator risk (slashing). Operating our own validator nodes on Proof-of-Stake blockchain networks (CoreDAO, ZIGChain) involves the risk of protocol penalties (so-called slashing) in the event of technical failures or violations of network rules. The Company mitigates this risk by using high-quality technical infrastructure, system redundancy, and adopting operational procedures in line with industry best practices.

Ecosystem concentration risk. The Company's validation activities are currently focused on two blockchain ecosystems (CoreDAO, ZIGChain). Any loss of market credibility of either of these ecosystems or a significant limitation on its development could have a negative impact on the Company's results. The Company's long-term strategy assumes a gradual diversification of validation ecosystems.

Risk of contractual relationships with CoreDAO ecosystem partners. As part of the Company's involvement in the CoreDAO ecosystem, particularly regarding agreements for the provision of validation services and agreements concerning remuneration and the protection of the minimum value of CORE tokens, there may be differences in interpretation between the parties regarding the timely fulfillment of certain contractual obligations. The Company remains in active dialogue with CoreDAO ecosystem partners to develop mutually acceptable solutions, and the Management Board assesses that the ongoing discussions are moving toward a constructive resolution of the relationship. As of the date of this report, the Company has not identified any events requiring disclosure via an ad hoc report; nevertheless, the Management Board's position on this matter remains subject to ongoing monitoring.

Regulatory risk. The regulatory framework for the digital asset market in Poland and the European Union is still taking shape. In November 2025, the President of Poland vetoed a bill regulating trading in digital assets in Poland, which prolonged the period of regulatory uncertainty. At the EU level, the provisions of the MiCA Regulation are coming into force, which may impact the Company's business model. The Company monitors the progress of legislative processes and adapts its operations to changing requirements.

Currency risk. Most of the Company's digital assets are denominated in foreign currencies (USD, USDC), while financial reporting is conducted in PLN. Changes in the PLN/USD exchange rate affect the value of assets as reported and may impact financial results.

Altcoin market liquidity risk. Tokens from ecosystems such as CoreDAO and ZIGChain have significantly lower market liquidity than Bitcoin. If the Company needs to liquidate these assets quickly on a large scale, it may be exposed to price slippage.

Counterparty risk. Part of the Company's operations is conducted in cooperation with external partners (including QCP Trading for derivatives, custody partners, and ecosystem partners). Failure by these partners to fulfill their obligations or a loss of their market credibility could have a negative impact on the Company's operations. The Company mitigates this risk by selecting counterparties with an established market position and by diversifying its partners.

Cybersecurity risk. The nature of digital assets implies significant technical security requirements, including the protection of cryptographic keys, validator infrastructure, and transaction transmission. The Company has implemented multi-layered security procedures, including collaboration with specialized custody providers and the use of multi-signature solutions.

Liquidity risk of trading in the Company's shares on NewConnect. The average daily trading volume of the Company's shares on the NewConnect market remains limited. The dual listing on the Frankfurt Stock Exchange (January 16, 2026) is intended, among other things, to increase trading liquidity and broaden the investor base.

VIII. EVENTS AFTER THE BALANCE SHEET DATE

In the period from the balance sheet date (March 31, 2026) to the date of this report, the Company carried out the following significant activities that will affect its operational scope and revenue-generating potential in subsequent reporting periods:

April 7, 2026 – The Company's entry into the institutional blockchain market – Canton Network. On April 7, 2026, the Company entered into an agreement with IntellectEU NV (Belgium) regarding the implementation and operation of a validator on the Canton Network. Canton Network is a global institutional-grade blockchain network whose founders and participants include BNP Paribas, Deutsche Börse, Goldman Sachs, Microsoft, Moody's, Capgemini, CBOE, Deloitte, Digital Asset, and Paxos. The Company's entry into this ecosystem represents a significant strategic milestone, steering BTCS S.A.'s business profile toward institutional blockchain infrastructure and the tokenization of real-world assets (RWA)—a segment with high growth potential in the coming years. The Company expects to begin generating revenue from its participation in the Canton Network starting in the third quarter of 2026, although this date is an estimate and depends on the progress of implementation and the achievement of operational readiness.

April 2026 – OTC Framework Agreement with STS Digital Ltd. The Company entered into a framework agreement with STS Digital Ltd. regarding the execution of over-the-counter (OTC) transactions involving digital assets. The agreement expands the Company's operational capabilities for executing high-volume transactions outside of open cryptocurrency exchanges, enabling more effective management of the digital asset portfolio while reducing costs associated with the impact of the Company's own orders on the market price (slippage).

After the balance sheet date, the Company also continued to carry out ongoing operations as part of its Active Treasury strategy, including rolling over positions in Bitcoin derivatives and performing the role of validator on the CoreDAO and ZIGChain networks.

IX. OUTLOOK FOR THE SECOND QUARTER OF 2026 AND BEYOND

This section contains a general description of the Company's business outlook, which does not constitute a forecast within the meaning of the regulations governing issuers' disclosure obligations. The information presented is based on the Management Board's assumptions as of the date of this report and is subject to change depending on market conditions.

Continued Bitcoin accumulation.

The Company intends to continue its Bitcoin accumulation strategy through a combination of direct purchases and the issuance of cash-secured put options in cooperation with existing partners (QCP Trading). The scale of accumulation in subsequent quarters will depend on BTC price levels and the availability of option premiums in the market.

Development of validation infrastructure.

The Company continues to develop validation infrastructure within existing ecosystems (CoreDAO, ZIGChain) and is analyzing the possibility of selectively entering additional blockchain ecosystems in sectors with growth potential (including real-world asset tokenization—RWA).

Bitcoin Layer-2 liquidity programs.

Following the first settlements in March 2026, the Company expects a gradual increase in the scale of its involvement in liquidity provision programs for Bitcoin Layer-2 ecosystems as one of the sources of recurring operating revenue streams.

Market Communication.

In the second half of 2026, the Company plans to deepen its communication with the investment market, including through the publication of additional materials explaining the DATCO model to investors outside the crypto sector, the organization of investor days, and participation in industry capital conferences.

BTC market environment in the first weeks of Q2.

In the period from the balance sheet date until the date of this report, the price of Bitcoin remained in the range of approximately $75,000–$82,000, with prices exceeding $80,000 in the first half of May 2026—the highest levels since late January 2026 —which indicates a partial reversal of the correction from the first quarter of 2026. The Company notes that any further rebound in BTC prices may have a positive impact on the balance sheet valuation of the digital asset portfolio in the results of subsequent reporting periods. The above statement does not constitute a forecast of the Company's results.

X. STATEMENT REGARDING THE FEASIBILITY OF ACHIEVING THE PUBLISHED FORECASTS FOR THE YEAR IN LIGHT OF THE RESULTS PRESENTED IN THE QUARTERLY REPORT

The Issuer did not publish forecasts for Q1 2026.

XI. DESCRIPTION OF THE STATUS OF THE ISSUER'S ACTIVITIES AND INVESTMENTS, AS WELL AS THEIR IMPLEMENTATION SCHEDULE

In the first quarter of 2026, the Company continued to implement the Active Treasury strategy, announced in 2025 as part of the business model transformation from VAKOMTEK S.A.'s previous operations. The status of implementation of the individual components of the strategy as of March 31, 2026, is as follows:

Bitcoin accumulation (digital vault) – as of the balance sheet date, holdings amount to 199.16 BTC. For comparison, in ESPI Current Report No. 45/2025 dated December 16, 2025, the Company reported holdings of 136.6842 BTC, which represents an accumulation of approximately 62.5 BTC during the period from December 16, 2025, to March 31, 2026. The accumulation is carried out in two ways: through direct purchases and by issuing cash-secured puts on BTC, including through cooperation with QCP Trading Pte. Ltd. and QCP Trading Middle East. This strategy assumes that premiums from put options are fully reinvested in Bitcoin, which increases exposure without the need for external financing.

Validation infrastructure – in the first quarter of 2026, the Company launched its own validation node on the ZIGChain network. Concurrently, the Company continues to participate in the validation mechanisms of the CoreDAO ecosystem. The validator acts as a technical operator of the blockchain network (analogous to the clearinghouse function in the traditional financial system), for which it receives compensation in the form of tokens from the respective network.

Liquidity provision programs (Bitcoin Layer-2) – on March 12, 2026, the Company received its first settlement for providing Bitcoin to Layer-2 protocols. This mechanism can be compared to providing capital in the interbank market—the Company's assets are used to provide liquidity in Bitcoin scaling networks, and the Company receives compensation for this while retaining full ownership of the underlying asset.

Dual listing on the Frankfurt Stock Exchange – on January 16, 2026, the Company's shares were admitted to trading on the Open Market (Freiverkehr) operated by the Frankfurt Stock Exchange under the ticker 36C.F. The dual listing expands the Company's access to the eurozone investor base and may positively impact share liquidity in the long term.

The Company has not published a fixed schedule for the individual components of the strategy. Implementation proceeds in accordance with market dynamics and the availability of investment opportunities. All material events regarding the implementation of the strategy are communicated to the market on an ongoing basis in the form of EBI/ESPI current reports.

XII. INFORMATION ON ACTIVITIES RELATED TO THE IMPLEMENTATION OF INNOVATIVE SOLUTIONS WITHIN THE COMPANY

BTCS S.A. is the first Digital Asset Treasury Company (DATCO) on the Polish public market, i.e., a company whose core business model is based on managing a portfolio of digital assets. In the first quarter of 2026, the Company implemented or continued to implement a number of innovative solutions on the scale of the Polish capital market, including:

a) the operational launch of its own validation node on the ZIGChain network, based on Cosmos SDK technology, as part of the Layer-1 blockchain infrastructure,

b) implementation of an options strategy using cash-secured puts on Bitcoin in collaboration with an international institutional broker (QCP Trading), enabling the accumulation of BTC at a predefined strike price while generating option premiums,

c) participation in liquidity provision programs for Bitcoin Layer-2 protocols—technologies that scale the Bitcoin network—generating the first revenues from this source during the analyzed period,

d) settlements with ecosystem partners (CoreDAO Foundation) conducted in native tokens, with mechanisms to protect the minimum value of these tokens—a hybrid solution combining traditional contractual instruments with elements of decentralized finance,

e) a dual listing on the Open Market of the Frankfurt Stock Exchange (effective January 16, 2026), increasing the Company's international visibility and access to the eurozone investor base.

XIII. DESCRIPTION OF THE ISSUER'S CAPITAL GROUP ORGANIZATION, INCLUDING ENTITIES SUBJECT TO CONSOLIDATION

Not applicable—The Issuer does not form a capital group.

XIV. INDICATION OF THE REASONS FOR NOT PREPARING CONSOLIDATED FINANCIAL STATEMENTS

Not applicable - The Issuer does not form a capital group.

XV. SELECTED FINANCIAL DATA OF THE ISSUER'S SUBSIDIARIES INCLUDED IN THE CONSOLIDATION

Not applicable

XVI. INFORMATION ON THE ISSUER'S SHAREHOLDING STRUCTURE, INDICATING SHAREHOLDERS HOLDING, AS OF THE DATE OF SUBMISSION OF THE REPORT, AT LEAST 5% OF THE VOTES AT THE GENERAL MEETING

Shareholder structure as of the date of this report, specifying shareholders holding more than 5% of the total number of votes at the General Meeting:

Shareholders	Total shares	Share of capital	Number of votes	Share of votes
TTP Limited	14,684,633	38.21%	14,684,633	38.21%
Bioinfo Corporation	7,051,533	18.35%	7,051,533	18.35%
Core Foundation	6,033,333	15.70%	6,033,333	15.70%
Disrupt Capital SPV Ltd.	4,550,000	11.84%	4,550,000	11.84%
Hype Tech Ltd.	3,008,333	7.83%	3,008,333	7.83%
Others	3,105,367	8.07%	3,105,367	8.07%
Total	**38,433,199**	**100%**	**38,433,199**	**100.00%**

On October 15, 2025, the Company completed the issuance of Series F shares, conducted via a private placement, as previously announced by the Issuer in its EBI current reports.

The issuance of Series F shares was registered by the Registry Court. As a result of this registration, the Company's share capital was increased to **PLN 19,216,599.50** and is currently divided into **38,433,199 shares** with a par value of PLN 0.50 each.

XVII. INFORMATION REGARDING THE NUMBER OF EMPLOYEES OF THE ISSUER, CONVERTED TO FULL-TIME EQUIVALENTS

The form and structure of the Issuer's employment are as follows:

Form of employment	2024	2025	Q1 2026
Employment contract	4	3	2
Civil law contracts	14	5	0
TOTAL	**18**	**8**	**2**

Data as of the end of the first quarter of the years indicated above.

The gradual reduction in headcount from 18 employees at the end of 2024 to 2 employees at the end of the first quarter of 2026
is an intended outcome of the Company's business model transformation from a trading business (Vakomtek S.A.) to a Digital Asset Treasury Company model. The DATCO model is characterized by low demand for in-house personnel, as key operational functions (digital asset custody, validator infrastructure, derivatives) are carried out in collaboration with specialized external partners under an outsourcing model. Thus, the reduction in headcount reflects the Company's high level of operational efficiency under the new model, rather than a reduction in the scale of operations.

XVIII. STATUS OF SHARES HELD BY THE ISSUER'S MANAGEMENT AND SUPERVISORY PERSONNEL IN THE FIRST QUARTER OF 2026

To the best of the Company's knowledge, as of the date of this report, members of the Company's governing bodies hold the following shares of BTCS S.A.:

The Company's Management Board: Ms. Marlena Lipińska, President of the Management Board, holds 7,464 shares of the Company.

Supervisory Board of the Company: To the Company's knowledge, members of the Supervisory Board do not directly hold any shares of the Issuer.

In the first quarter of 2026, there were no changes in the shareholdings of the Issuer by management and supervisory personnel of which the Company would be aware based on notifications received pursuant to disclosure obligations.

XIX. PROCEEDINGS PENDING BEFORE A COURT, PUBLIC ADMINISTRATION BODY, OR ARBITRATION BODY

As of the date of this report, there are no proceedings pending before a court, public administration body, or arbitration body concerning the Issuer's liabilities or claims whose value would constitute at least 10% of the Company's equity, nor are there any proceedings in which the total value of the Issuer's liabilities or claims would be material from the perspective of its financial position. The Company is also not a party to any court or arbitration dispute whose outcome could have a material adverse effect on the Company's operations, financial position, or results.

XX. REMUNERATION OF THE ENTITY AUTHORIZED TO AUDIT FINANCIAL STATEMENTS

On January 9, 2026, the Company entered into an agreement with the audit firm Quantum Audyt Sp. z o.o. Dawid Cholewiński for the audit and review of the Company's financial statements for the 2025 fiscal year (RB EBI dated January 9, 2026). The remuneration of the entity authorized to audit financial statements was determined on market terms and covers the audit of the annual financial statements for

2025. Detailed information regarding the auditor’s remuneration will be presented in the Company’s annual report for 2025, in accordance with the requirements of Article 49(2)(8) of the Accounting Act.

XXI. INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

In the first quarter of 2026, the Company did not enter into any new transactions with related parties. The most significant transactions with related parties, whose balance sheet and operating effects are presented in this report, are the agreements concluded in September 2025, described in detail in the section "Characteristics of the Key Long-Term Liability - Digital Asset Access Agreement with BIOINFO CORPORATION":

a) Digital Asset Provision Agreement with BIOINFO CORPORATION (shareholder – 18.35% equity stake) – liability arising from the provision of 115 BTC, presented on the balance sheet as of March 31, 2026, in the amount of PLN 29.35 million;

b) Tripartite Guarantee Agreement involving TTP Limited (shareholder – 38.21% stake) as Guarantor for the Company’s liabilities to BIOINFO CORPORATION – guarantee up to a maximum amount of USD 15,525,000;

c) Cooperation with Core Foundation (shareholder – 15.70% stake) within the CoreDAO ecosystem, including in the areas of validator functions and settlements in CORE tokens.

All of the above transactions were concluded on market terms. The Company transparently discloses the above relationships to ensure that investors have full information regarding the structure of its relationships with significant shareholders. Mr. Wojciech Kaszycki, who serves as Strategy Advisor to BTCS S.A., is also a Director of TTP Limited—this relationship is transparently disclosed by the Company.

Warsaw, May 12, 2026

Signature Not Verified

Dokument podpisany przez Marlena Lipińska
Data: 2026.05.12 13:13:47 EST

Marlena Lipińska – President of the Management Board