Bitcoin Services, Inc.
Condensed Consolidated Balance Sheet
December 31,
(unaudited)

	2018	2017
ASSETS		
Current assets:		
Cash	$ 543,304	$ 483,461
Total current assets	543,304	483,461
Fixed assets, net	72,807	35,303
Total assets	$ 616,111	$ 518,764
LIABILITES & SHAREHOLDERS' EQUITY		
Current liabilities		
Convertible notes payable	$ 22,600	$ 22,600
Accounts payable and accrued expenses	128,941	97,009
Total current liabilities	151,541	119,609
Total liabilities	151,541	119,609
Shareholders' equity		
Series A preferred stock, $0.0001 par value, 100,000,000 shares authorized, 9,390,362 and 9,390,362 shares issued and outstanding as of December 31, 2018 and 2017, respectively	9,390	9,390
Series B preferred stock, $0.0001 par value, 20,000,000 shares authorized, 5,366,666 and 5,366,666 shares issued and outstanding as of December 31, 2018 and 2017, respectively	5,367	5,367
Series C preferred stock, $0.0001 par value, 10 shares authorized, 10 and 10 shares issued and outstanding as of December 31, 2018 and 2017, respectively	-	-
Common stock, $0.0001 par value, 1,770,000,000 shares authorized, 813,196,229 and 673,196,229 shares issued and outstanding as of December 31, 2018 and 2017, respectively	81,320	67,320
Additional paid-in capital	16,463,028	11,154,528
Accumulated deficit	(16,094,535)	(10,837,450)
Total shareholders' equity	464,570	399,155
Total liabilities and shareholders' equity	$ 616,111	$ 518,764

See accompanying notes to unaudited condensed consolidated financial statements.

Bitcoin Services, Inc.
Condensed Consolidated Statement of Operations
For the Years Ended December 31,
(unaudited)

	2018	2017
Revenue	$ 332,490	$ 471,696
Operating expenses		
Direct costs of revenue	69,093	36,684
Stock-based compensation	5,322,500	10,945,555
Selling, general and administrative expenses	196,050	45,355
Operating loss	(5,255,153)	(10,555,898)
Other income (expense)		
Settlement of debt	-	(229,009)
Interest expense	(1,932)	(1,932)
Net loss	$ (5,257,085)	$(10,786,839)

See accompanying notes to unaudited condensed consolidated financial statements.

Bitcoin Services, Inc.
Condensed Consolidated Statement of Stockholders' Equity (Deficit)
December 31, 2018
(unaudited)

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Common Stock		Additional Paid-in	Accum-ulated	
	Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Capital**	**Deficit**	**Total**
Balance, December 31, 2015	4,390,362	$4,390	1,366,666	$1,367	-	$ -	16,917,051	$16,917	$ -	$ (116,452)	$ (93,778)
Balance, December 31, 2016	9,390,362	$9,390	6,366,666	$6,367	-	$ -	511,784,705	$46,284	$ -	$ (50,611)	$ 11,430
Balance, December 31, 2017	9,390,362	$9,390	5,366,666	$5,367	10	$ -	673,196,229	$67,320	$ 11,154,528	$(10,837,450)	$ 399,155
Balance, December 31, 2018	9,390,362	$9,390	5,366,666	$5,367	10	$ -	813,196,229	$81,320	$ 16,463,028	$(16,094,535)	$ 464,570

See accompanying notes to unaudited condensed consolidated financial statements.

Bitcoin Services, Inc.
Condensed Consolidated Statements of Cash Flows
For the Years Ended December 31,
(unaudited)

	2018	2017
Net loss	$ (5,257,085)	$ (10,786,839)
Adjustments to reconcile net loss to net cash provided by operations:		
Depreciation	5,601	4,152
Settlement of debt	-	229,009
Stock-based compensation	5,322,500	10,945,555
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	31,932	1,932
Net cash provided by operations	102,948	393,809
Cash flows used in investing activities		
Acquisition of fixed assets	(43,105)	-
Total cash used in investing activities	(43,105)	-
Net cash increase	59,843	393,809
Cash balance at beginning of period	483,461	89,652
Cash balance at end of period	$ 543,304	$ 483,461

See accompanying notes to unaudited condensed consolidated financial statements.

NOTES TO FINANCIALS FOR PERIOD ENDING DECEMBER 31, 2018

Note 1 - Organization and Summary of Significant Accounting Policies

Forward Looking Statements

Some of the statements contained in this information statement that are not historical facts are "forward-looking statements" which can be identified by the use of terminology such as "estimates," "projects," "plans," "believes," "expects," "anticipates," "intends," or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this prospectus, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties and other factors affecting our operations, market growth, services, products and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face, and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events. Factors that may cause actual results, our performance or achievements, or industry results, to differ materially from those contemplated by such forward-looking statements include without limitation:

- Our ability to attract and retain management, and to integrate and maintain technical information and management information systems;
- Our ability to raise capital when needed and on acceptable terms and conditions;
- The intensity of competition; and
- General economic conditions.

All written and oral forward-looking statements made in connection with this prospectus that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

During the next twelve months, the Company's plans to expand its business into other countries the Company plans to finance its growth through traditional bank financing sources as well as additional potential debt and equity private placements. To that end, the Company may attempt to raise money in a private placement of its shares of Common Stock, but has not yet commenced this initiative. There can be no assurance that financing sufficient to enable us to expand and grow our business will be available to us in the future. The failure to obtain future financing or to produce levels of revenue to meet our financial needs could result in our inability to operate, grow and expand our business.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources and would be considered material to investors.

Organization of Business

Bitcoin Services, Inc. (the "Company") was domesticated in Florida in February 2016. It was originally incorporated in Nevada in 1997 under the name "JLL Miami Enterprises, Inc." until January 2002 when its name was changed to "BMX Holdings, Inc.," until February 2003 when its name was changed to "Direct Music Group, Inc." until April 2004 when its name was changed to "Cell Bio-Systems, Inc.," until June 2006 when its name was changed to Tulip Biomed, Inc, and lastly until February 2016 when it changed its name to Bitcoin Services, Inc. On December 21, 2015, under Nevada NRS 78.347 an Order of Appointment of Custodianship was entered appointing Hamo Enterprises, Inc. to comply with NRS 78.180 to reinstate the Company with the Nevada Secretary of State in accordance with Nevada statutes. Accordingly, on January 6, 2016, the Company reinstated its business license with the State of Nevada. On February 11, 2016, the Company filed its Certificate of Amendment with Nevada Secretary of State changing the name from 'Tulip Biomed, Inc.' to 'Bitcoin Services, Inc.' Starting February 12, 2016, the Company became aware of certain information from giving rise to a state based Judgment by Confession, dated February 10, 2010, against the Company involving certain U.S. Patents, then Patent Applications, and trademarks not utilized by the Company, along with its corresponding state based lien. These materials are not published to protect the privacy of the parties thereto, and as to avoid spurious claims of ownership of these claims. Additionally, certain detailed but unsupported and incomplete financial statements for the period December 1, 2008 through December 31, 2009 were received. The Company is not able to consolidate these materials without further corroboration and support thereto. These records are not available to the Company. The Company requested such information, but has not received these records. Until such time that support is received, these materials cannot be combined to the current existing information should that be appropriate. On February 17, 2016, the Company filed its Certificate of Domestication is with Florida Secretary of State. On February 26, 2016, the Company filed its Certificate of Dissolution with the Nevada Secretary of State dissolving Bitcoin Services, Inc. in the state of Nevada and, thus, making it a Florida Corporation. On February 26, 2016, the Board appointed Joel C. Schneider as the sole officer, director of Bitcoin Services, Inc., and resigns from all positions with the Company. On February 29, 2016, the Company approved a five for one forward stock split. On March 9, 2016, the Company filed their Amended and Restated Articles of Amendment with the Florida Secretary of State. See Note 2 - Stockholders' Equity below for clarification on the three classes of stock, designations, and voting rights and the powers of each class. On March 21, 2016, all of the Company's Common stock holders did receive five (5) shares for every one (1) share of Common stock they owned. Those holding physical certificates must turn their certificates back into the transfer agent for new certificates. All Common holders of book entry shares were increased without any action and done by the Company's transfer agent, and those shares in street name or with brokers increased electronically. The issuer's business operations are each Internet based to the consumer and consist of three separate streams, as follows: (1) bitcoin and other virtual currency mining, and (2) blockchain software development. The market for these services and products is Worldwide, and are sold and marketed on the Internet. Bitcoin is a digital asset and a payment system. The system is peer-to-peer and transactions take place between users directly, without an intermediary. These transactions are verified by network nodes and recorded in a publicly distributed ledger called the blockchain, which uses bitcoin as its unit of account. Since the system works without a central repository or single administrator, the U.S. Treasury categorizes bitcoin as a decentralized virtual currency. Bitcoin is often called the first cryptocurrency.

Principles of Consolidation

The accompanying consolidated financial statements include all applicable accounts and subsidiaries of the Company. All significant inter-company transactions and balances have been eliminated in consolidation.

Basis of Presentation

The accompany unaudited interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America. Certain information and note disclosure normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

Stock-Based Compensation

The Company accounts for stock-based instruments issued to employees in accordance with ASC Topic 718. ASC Topic 718 requires companies to recognize in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees. The value of the portion of an award that is ultimately expected to vest is recognized as an expense over the requisite service periods using the straight-line attribution method. The Company accounts for non-employee share-based awards in accordance with the measurement and recognition provisions ASC Topic 505-50. The Company estimates the fair value of stock options at the grant date by using the Black-Scholes option-pricing model.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods. Management makes these estimates using the best information available at the time the estimates are made; however, actual results could differ materially from these estimates.

Net Loss per Share

ASC 260, "Earnings per Share," requires dual presentation of basic and diluted earnings or loss per share ("EPS") for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. Basic EPS excludes dilution; diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. Basic loss per share is computed by dividing net loss applicable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if dilutive securities and other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company, unless the effect is to reduce a loss or increase earnings per share. The Company has outstanding common stock purchase warrants; however, inclusion of the warrants in the calculation of diluted loss per share would be anti-dilutive. Therefore, diluted loss per share is equivalent to basic loss per share.

Effect of Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-09 ("ASU No. 2014-09"), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective. The new standard is effective for annual reporting periods beginning after December 15, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method, nor has it determined the effect of the standard on its ongoing financial reporting.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements (Topic 205) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern.* The guidance requires management to perform an evaluation each annual and interim reporting period of whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within the one-year period after the date that the financial statements are issued. If such conditions are identified, the guidance requires an entity to provide certain disclosures about the principal conditions or events that gave rise to the substantial doubt about the entity's ability to continue as a going concern, management's evaluation of the significance of those conditions or events in relation to the entity's ability to meet its obligations and management's plans to alleviate or mitigate substantial doubt about the entity's ability to continue as a going concern. The guidance is effective for the first annual period ending after December 15, 2016 and interim periods thereafter. The Company currently does not expect the adoption of ASU 2014-15 to have a material impact on its financial statements and does not anticipate early adoption of this pronouncement.

In February 2016, the Financial Accounting Standards Board ("FASB") issued an ASU on lease accounting. The ASU requires the lease rights and obligations arising from lease contracts, including existing and new arrangements, to be recognized as assets and liabilities on the balance sheet. The ASU is effective for reporting periods beginning after December 15, 2018 with early adoption permitted. While the Company is still evaluating the ASU, the Company expects the adoption of the ASU to have a material effect on the Company's financial condition due to the recognition of the lease rights and obligations as assets and liabilities. The Company does not expect the ASU to have a material effect on the Company's results of operations, and the ASU will have no effect on cash flows.

The Company has evaluated all other recent accounting pronouncements and believes that none of them will have a significant effect on the Company's financial statement.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash in deposits and all highly liquid debt instruments with an original maturity of three months or less.

Inventory

The Company has inventory, also known as our blockchain wallet, of 105.9 Bitcoins, 0 Dash and 590.71 Ethereum, which has no monetary value, as of December 31, 2018.

Revenue Recognition

The Company recognizes revenue in accordance with the provisions of Staff Accounting Bulletin ("SAB") 104. Sales and service revenue is recognized at the date of shipment, or completion of services rendered, to a customer when a formal arrangement exists, the price is fixed or determinable, the delivery or service is completed, no other significant obligations of the Company exist and collectability is reasonably assured. Payments received before all the relevant criteria for revenue recognition are recorded as customer deposits.

Accounts Receivable and Allowance for Doubtful Accounts

Trade receivables are non-interest bearing, uncollateralized customer obligations and are stated at the amounts billed to customers. The preparation of financial statements requires management to make estimates and assumptions relating to the collectability of accounts receivable. Management specifically analyzes historical bad debts, customer credit worthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. The Company computes depreciation and amortization using the straight-line method over the estimated useful lives of the assets acquired as follows:

Building	39 years
Computer equipment	3-5 years
Furniture and fixtures	5-7 years
Machinery and equipment	5-10 years
Trucks and automobiles	5 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is reflected in the consolidated statements of operations. Repairs and maintenance that do not extend the useful lives of the related assets are expensed as incurred.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Management plans to raise additional proceeds from debt and equity transactions and to continue to increase its sales and marketing activities. There is no guarantee, however, that management will be able to secure sufficient financing to sustain the operations of the Company or that operations will become self-sustaining. In the absence of one of those accomplishments, the Company would likely be forced to liquidate. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Business Combinations

Acquisitions of businesses are accounted for using the purchase method of accounting, and the financial statements include the results of the acquired operations from the respective dates they were acquired. The purchase price of the acquired entities is allocated to the net assets acquired and liabilities assumed based on the estimated fair value at the dates of acquisition, with any excess of cost over the fair value of net assets acquired, including intangibles, recognized as goodwill. The balances included in the consolidated balance sheets related to recent acquisitions are based upon preliminary information and are subject to change when final asset and liability valuations are obtained. Material changes to the preliminary allocations are not anticipated by management.

Fair Value Measurements

The FASB's Accounting Standards Codification defines fair value as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants and requires that assets and liabilities carried at fair value are classified and disclosed in the following three categories:
Level 1 – Quoted prices for identical instruments in active markets.
Level 2 – Quoted prices for similar instruments in active or inactive markets and valuations derived from models where all significant inputs are observable in active markets.
Level 3 – Valuations derived from valuation techniques in which one or more significant inputs are unobservable in any market.

Fair Value of Financial Instruments

The carrying values of cash, prepaid expenses, accounts payable and accrued expenses approximate their fair values due to their short-term maturities. The carrying values of the Company's notes payable approximate their fair values based upon a comparison of the interest rate and terms of such debt given the level of risk to the rates and terms of similar debt currently available to the Company in the marketplace.

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the accompanying condensed consolidated financial statements.

Note 2 - Stockholders' Equity

For the period ending December 31, 2018, the Company was authorized to issue such shares into three following three classes of stock:

1,770,000,000 shares of $0.0001 par value Common stock;
100,000,000 shares of $0.0001 par value Series A Preferred stock;
20,000,000 shares of $0.0001 par value Series B Convertible Preferred stock; and
10 shares of $0.0001 par value Series C Preferred stock.

Dividends may be paid on outstanding shares as declared by the Board of Directors.

Shares of Common Stock are entitled to one vote per share.

Shares of Series "A" Preferred Stock enjoy dividend and liquidation preferences and are convertible into one share of Common Stock at the express election of each such preferred shareholder. At any time, the entire class of Series "A" Preferred Stock may be forced converted to Common Stock by a vote or written consent of the holders of at least a simple majority of these Series "A" Preferred Stock that are then outstanding.

Shares of Series "B" Convertible Preferred Stock are convertible into one share of Common Stock at the express election of shareholder to convert. Series B shareholders shall not have any Common Stock voting rights unless and until converted into Common Stock.

Shares of Series "C" Preferred Stock are convertible into one share of Common Stock at the express election of shareholder to convert. Series C shareholders shall have votes equaling 60% of any meeting of the shareholders.

During this period, there were no changes to the share classes and designations.

Note 3 – Business Combination

For the period ending December 31, 2018, the Company operates in bitcoinbasics.com. The website explains the basics of Bitcoin to new users. The Company sells ads and affiliate offers on the site.

Note 4 - Income Taxes

The Company’s net deferred tax assets consist primarily of net operating loss carry-forwards. These net operating loss carry-forwards expire over various years through 2029. The net operating loss carry forwards may be limited under the Change of Control provisions of the Internal Revenue Code section 382. There is no income tax provision for the year due to the change in valuation allowance. The difference between the effective rate and the statutory rate is the result of the change in the valuation allowance.

On December 22, 2017, the United States Government passed new tax legislation that, among other provisions, will lower the corporate tax rate from 34% to 21%. In addition to applying the new lower corporate tax rate in 2018 and thereafter to any taxable income we may have, the legislation affects the way we can use and carry forward net operating losses previously accumulated and results in a revaluation of deferred tax assets recorded on our balance sheet. Given that the deferred tax assets are offset by a full valuation allowance, these changes will have no net impact on the Company’s financial position and net loss.

Note 5 - Going Concern

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on raising capital to fund its business plan and ultimately to attain profitable operations. Accordingly, these factors raise substantial doubt as to the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 6—Related Party Transactions

For the Annual Period ending December 31, 2018, the Company did not engage in any related party transactions.

Note 7 – Commitments and Contingencies

Legal Matters

From time to time, the Company may become subject to legal proceedings, claims and litigation arising in the ordinary course of its business. The Company is not currently a party to any material legal proceedings, nor is the Company aware of any other pending or threatened litigation that would have a material adverse effect on the Company’s business, operating results, cash flows or financial condition should such litigation be resolved unfavorably.

Lease Commitment

On September 6, 2016, the Company secured a 3,500 square foot facility, and fifteen new Bitmain Antminers S7 Batch 8, stable at 4.73TH/s. Antminer S7 ~4.73TH/s @ .25W/GH 28nm ASIC Bitcoin Miners. In addition to mining Bitcoin, it will also start mining Litecoin, Dogecoin, and Ethereum. The lease for the facility is $1,350 per month for five years.

Future minimum lease payments under this lease is as follows:

2019	$ 16,200
2020	16,200
2021	10,800
Total	$ 43,200

Note 8 - Notes Payable

None.

Note 9- Convertible Notes Payable

On April 13, 2016, the Company issued a convertible promissory note for $7,800 at 8% per annum to a non-affiliate for working capital.

On May 3, 2016, the Company issued a convertible promissory note for $8,800 at 8% per annum to a non-affiliate for working capital.

On May 14, 2016, the Company issued a convertible promissory note for $6,000 at 10% per annum to a third party non-affiliate for working capital.

Note 10 – Subsequent Events

The Company has evaluated subsequent events through the date the financial statements were issued and filed. The Company has determined that there are no other such events that warrant disclosure or recognition in the financial statements.