



BTCS: This Crypto Mining Firm Pays Investors Dividends in Bitcoin

Description

BTCS ([NASDAQ:BTCS](#)) is a crypto mining company that provides investors with indirect ownership of digital tokens such as **Bitcoin** ([CRYPTO:BTC](#)) and **Ethereum** ([CRYPTO:ETH](#)). BTCS emphasized it will not limit exposure to a particular digital asset and may purchase a variety of tokens to diversify investor risk.

Yesterday, BTCS stock gained over 40% in market cap to end trading at US\$4.36 per share, valuing the company at US\$44.8 million. The significant gain was due to the company's announcement that it will be the first to offer investors an option of receiving dividends in the form of Bitcoin also called "bividends." Investors will receive US\$0.05 per share in Bitcoin, based on the price of the BTC token. Investors can also receive a cash dividend of US\$0.05 per share instead of a bividend.

Should you invest in BTCS stock right now?

BTCS is a company focused on blockchain infrastructure and technology. It secures blockchain networks by validating transactions through PoS (proof-of-stake) mechanisms, allowing it to receive digital tokens in the process.

BTCS also offers a digital asset dashboard, where users can evaluate their [cryptocurrency](#) portfolio across multiple exchanges on a single platform. It also plans to integrate a non-custodial staking-as-a-service feature where token owners can stake their cryptocurrencies to validator nodes and earn a yield.

BTCS continues to expand operations in the blockchain space and has already secured 12 networks, earning US\$1.2 million in revenue in 2021, with a gross margin of 81%. Its realized crypto gain stood at US\$3 million while unrealized gains are much higher at US\$20 million.

The company remains optimistic about the long-term opportunities in the blockchain segment. At its peak in November 2021, the cryptocurrency market was valued at a market cap of US\$3 trillion. Despite the pullback in the last two months, several tokens have [generated multifold returns](#) since March 2020.

Bitcoin is considered as a store of value and anti-inflationary, as the total number of BTC tokens in circulation is limited to 21 million. Also known as digital gold, Bitcoin is now valued at [a market cap](#) of US\$815 billion. Comparatively, gold reserves are estimated at US\$11.5 trillion. If both these assets are priced similarly, the price of one BTC token should be close to US\$700,000.

The future is blockchain

BTCS expects the internet will be transformed by next-gen blockchain networks that serve as the foundation of digital asset ownership in Web 3.0. As stated earlier, BTCS aims to secure PoS blockchains, and the market cap of cryptocurrencies that consist of this mechanism rose by 475% in 2021 to \$1.3 trillion.

PoS blockchain networks are key to powering innovations across verticals including DeFi (decentralized finance), the metaverse, and NFTs. BTCS is also well positioned to benefit from the rapid expansion of the cryptocurrency staking vertical. A report from **JP Morgan** estimates staking payouts to touch US\$9 billion in 2021 and grow by 400% by 2025. Staking, in fact, offers consistent returns, which are significantly higher than those of traditional banks. Several top PoS blockchains yielded between 5% and 15% returns via staking last year.

Similar to other blockchain or cryptocurrency mining companies, BTCS also carries significant risks. Its price will be tied to the digital tokens it mines, making it extremely volatile in the near term.

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Date

2025/07/07

Date Created

2022/01/06

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