Important disclaimer

The Securities and Exchange Commission (SEC) has qualified the offering statement that we have filed with the SEC under Regulation A for our offering of certain of our Stacks Tokens. The information in that offering statement is more complete than the information we are providing now and could differ in important ways. You must read the documents filed with the SEC before investing. The offering is being made only by means of its offering statement. This document shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

An indication of interest involves no obligation or commitment of any kind. Any person interested in investing in any offering of Stacks Tokens should review our disclosures and the publicly filed offering statement and the final offering circular that is part of that offering statement here. Blockstack is not registered, licensed, or supervised as a broker dealer or investment adviser by the SEC, the Financial Industry Regulatory Authority (FINRA), or any other financial regulatory authority or licensed to provide any financial advice or services.

Forward-looking statements

This communication contains forward-looking statements that are based on our beliefs and assumptions and on information currently available to us. In some cases, you can identify forward-looking statements by the following words: “will,” “expect,” “would,” “intend,” “believe,” or other comparable terminology. Forward-looking statements in this document include, but are not limited to, statements about our plans for developing the platform and future utility for the Stacks Token. These statements involve risks, uncertainties, assumptions and other factors that may cause actual results or performance to be materially different. More information on the factors, risks and uncertainties that could cause or contribute to such differences is included in our filings with the SEC, including in the “Risk Factors” and “Management’s Discussion & Analysis” sections of our offering statement on Form 1-A. We cannot assure you that the forward-looking statements will prove to be accurate. These forward-looking statements speak only as of the date hereof. We disclaim any obligation to update these forward-looking statements.
A Message from
CEO Muneeb Ali

Dear shareholders,

Blockstack enables a user-owned internet. We believe in internet privacy and putting users in control of their data. In 2017, our company proudly became a Delaware public benefit corporation. We made that decision because we believe that developing user ownership and privacy-enhancing technologies has a clear public benefit.

The public purpose of the Blockstack technology is so core to our company that the Board of Directors adopted it into the company’s certificate of incorporation: “The specific public benefit purpose of the Corporation is to enable an open, decentralized internet which will benefit all internet users by giving them more control over information and computation.”

In this report, we detail how we’ve worked toward that public benefit over the past year. Highlights for 2019 include the release of our Clarity smart contracts language, partnering with Lambda School to educate student developers to build decentralized apps, the release of our Stacks Token Economics Whitepaper v2.0, growth of Blockstack applications to 300+, enabling Stacks payments for App Mining, and completing the first ever SEC-qualified Reg A token offering, among many other updates described in this report.

In our opinion, Blockstack succeeded this year in promoting its public benefit purpose. We thank our shareholders and our global community of app developers, users, and Stacks holders for their support. We can’t wait to see what we accomplish together in 2020.

Muneeb Ali
CEO & Co-Founder
### Mission: Grow Internet Ownership

To measure our public benefit, the Board of Directors adopted the following standards:

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Build open-source tools for the decentralized web
We empower developers with open-source tools to build for users who value their privacy and freedom.

New launches

We launched the developer preview of Clarity, our smart contract language. It optimizes for predictability and security.

Released the developer preview of Collections, that allows users to share their data across Blockstack apps.

Introduced Radiks, the indexer that allows developers to build social features and in-app notifications.

Released the Blockstack Technical Whitepaper v2.0 with details on Blockstack's technical infrastructure.

Formed a team that researches approaches to onboarding people into Blockstack apps.

```sql
sqlite> select * from contracts;

1|hello|{"contract_context":{"name": "hello","variables": {},"functions": {}}}

sqlite> select * from type_analysis_table;

1|hello|{"private_function_types":{},"variable_types":{},"public_function_types":{},"read_only_function_types":{},"map_types":{}}

sqlite>
```

```scheme
(define (transfer! (sender principal) (amount int))
  (if (and
       (not (eq? sender recipient))
       (debit-balance! sender amount)
       (credit-balance! recipient amount))
    'true
    'false))
```

Improvements

Released a new version of the Stacks Wallet where hardware wallets are no longer required.

Added redundancy and disaster-recovery capabilities to our internal infrastructure. This protects Authentication, Gaia, the Explorer, and other infrastructure against outages.

Started a rebuild of the Blockstack Browser. This prepares us for greater development velocity and smart contract signing.

We started paying App Mining rewards in Stacks Token and improved the program together with the community.

For more details, you can find blog posts with technical updates here: https://blog.blockstack.org/category/blockstack-news/technical/
Improve developer access and experience through education
We want to create accessible education for developers to build independent applications and learn from peers in the space.

We partnered with Lambda School to help students build Blockstack apps that ‘Can’t Be Evil: We provided educational material and gave teaching sessions.

We hosted the 4th Annual Blockstack Summit in San Francisco. All tickets sold out and more than 500 people attended. All presentations and videos are available here.

We participated in over 200 meetups, hackathons, conferences, webinars and AMA’s worldwide. Highlights include our Hong Kong event on January 10th, Muneeb Ali’s keynote at East Chain Open Hub in Kuwait, zCon in Croatia, Shanghai Blockchain Week, and Blockchain Live in London.

We hosted 37 workshops on building with Blockstack and participating in our community. Throughout 2019, 325 people took part.

For more details, you may find community update blog posts here:
https://blog.blockstack.org
Support a robust ecosystem of software developers, entrepreneurs, and users
We raise awareness of the benefits of the Blockstack ecosystem. These include becoming part of a community of developers, having the tools to launch a business, and giving back control to users.

The number of apps built on Blockstack grew from 33 at the beginning of 2019 to over 360 at the end of 2019.

Awareness of Blockstack continued to grow, increasing by over 30x year over year. Total Reach measured by Awario was 762.3 Million in 2019, up from 25.4 Million in 2018.

Working with Wachsman, our PR firm, we attracted press for top apps built on Blockstack, such as This Dapp Shows How Blockstack and Ethereum Are Different, and This File-Sharing Dapp Shows How Blockstack and Ethereum Are Different.
Supporting the diversity of the Blockstack network
We’re committed to increasing diversity in the Blockstack ecosystem through partnerships, international expansion, and support of underrepresented groups.

We partnered with Blockchain.com, the most popular crypto wallet. Together, we brought Blockstack apps to over 40 million Blockchain.com wallets. Blockchain.com distributed Stacks Tokens to eligible users that opted in.

We closed a strategic investment from Recruit Co., Ltd. (Glassdoor, Indeed.com, more), a global tech corporation headquartered in Tokyo, Japan. Recruit is one of the biggest Japanese internet companies with a market cap of over $50 billion.

We closed a strategic investment from HashKey Group and SNZ. This will support Blockstack’s growth in Asia and expand the Blockstack network globally. We also welcomed Fenbushi Capital, Fundamental Labs, and Spartan Group as investors and partners.

We worked with organizations focused on women and minorities. We hosted events with Women Who Code and Empowered Tech and we participated in the mentorship program of she256. Our team gave talks at Women in Blockchain events, Coding Bootcamps, and Meetups.

We created a space for diverse community conversations. These included the Blockstack Women’s Podcast Discussion & Lunch with Union Square Ventures.
Promoting transparent regulatory frameworks
Collaboration with regulators helps to make the Blockstack ecosystem compliant, transparent, and accessible to investors.

We worked with US regulators on a legal framework for the Blockstack token offering. Because of this, we were able to open the offering to the general public, including US investors. This was a harder but better path to take. It democratized access to our network and creates a path for other projects to follow suit.

More than 4,500 individuals and entities participated in our offering. In the US, retail investors participated because of our SEC qualification. Outside of the US, investors participated under Regulation S.

Binance and HashKey Pro listed the Stacks Token. This enables global access to Stacks and helps fuel the network.

We continued our participation and support of the Blockchain Association. Their goal is to create trust, transparency, safety, and innovation through distributed technology.

We released version 2.0 of the Stacks Token Economics Whitepaper. It provides clear information about the Stacks token supply and consensus mechanism.
Join the Blockstack Community

Our commitment to our community is the key to fulfill our mission to grow internet ownership. Join us in working towards an open, decentralized internet that benefits everyone.

We welcome you to join our community in a few different ways:
- Become an evangelist: community.blockstack.org evanglists
- Connect in our community forum on Discord: discord.gg/9r94Xkj
- Follow our latest updates on Twitter: twitter.com/blockstack

You may also find regular detailed quarterly updates at blockstack.org/updates. For further questions, please contact Brittany Laughlin, Head of Investor Relations at investors@blockstack.com.

Thank you!
The Blockstack PBC team