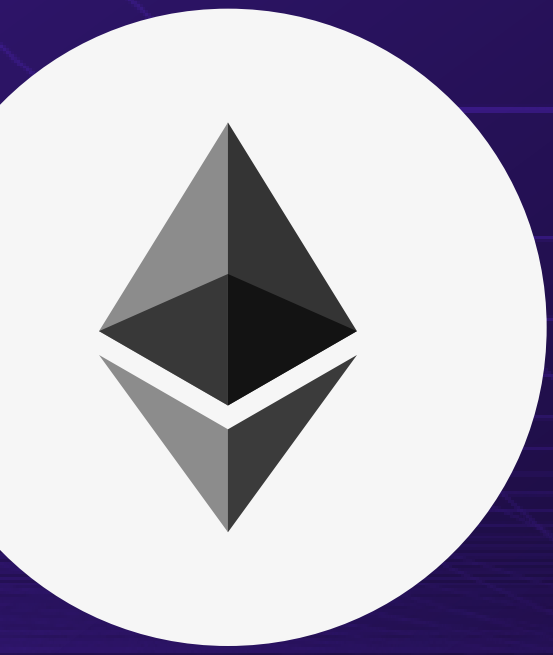
BLOCKDAEMON



PERFORMANCE REPORT

Ethereum Validators Performance

April, 2025 Report

Blockdaemon is the #1 staking provider for institutions, offering secure, risk-mitigated rewards across 50+ blockchain networks. We are entrusted with $10B staked assets and deliver 99.9% uptime. This monthly report contains trends about the current Ethereum ecosystem and metrics on Blockdaemon's Ethereum validator performance comparing it to the network averages.

Maket data provided by:

Blockdaemon APIs, and Rated.network

- Blockdaemon empowers Fortune 500 enterprises, banks, custodians, and trusts with secure blockchain infrastructure, including nodes, staking, wallet and DeFi products.
- We are ISO 27001 Certified — The Gold Standard of Information Security Management Systems in managing and securing sensitive data through structured security controls.
- Blockdameon's standard of compliance includes OFAC compliance.

Market Overview

- April saw Ethereum (ETH) price decline -2.6% while Bitcoin's gained >16% (breaking $94k), leading to a notable drop in the ETH/BTC ratio.
- Total ETH staked grew to approximately 34.2 million ETH (~28% of supply) while validator count exceeded 1.068 million. This was potentially due to increased institutional interest, driven by discussions around ETF staking inclusion and anticipation of Pectra increasing the Maximum Effective Balance of validators to 2,048 ETH.
- Ethereum's DeFi Total Value Locked (TVL) saw a net decline (-9.92%), facing pressure from faster chains. However, Real-World Asset (RWA) tokenization continued strong growth (> $7.3B locked).

BitGo CoinShares copper.co Revolut zodia CUSTODY

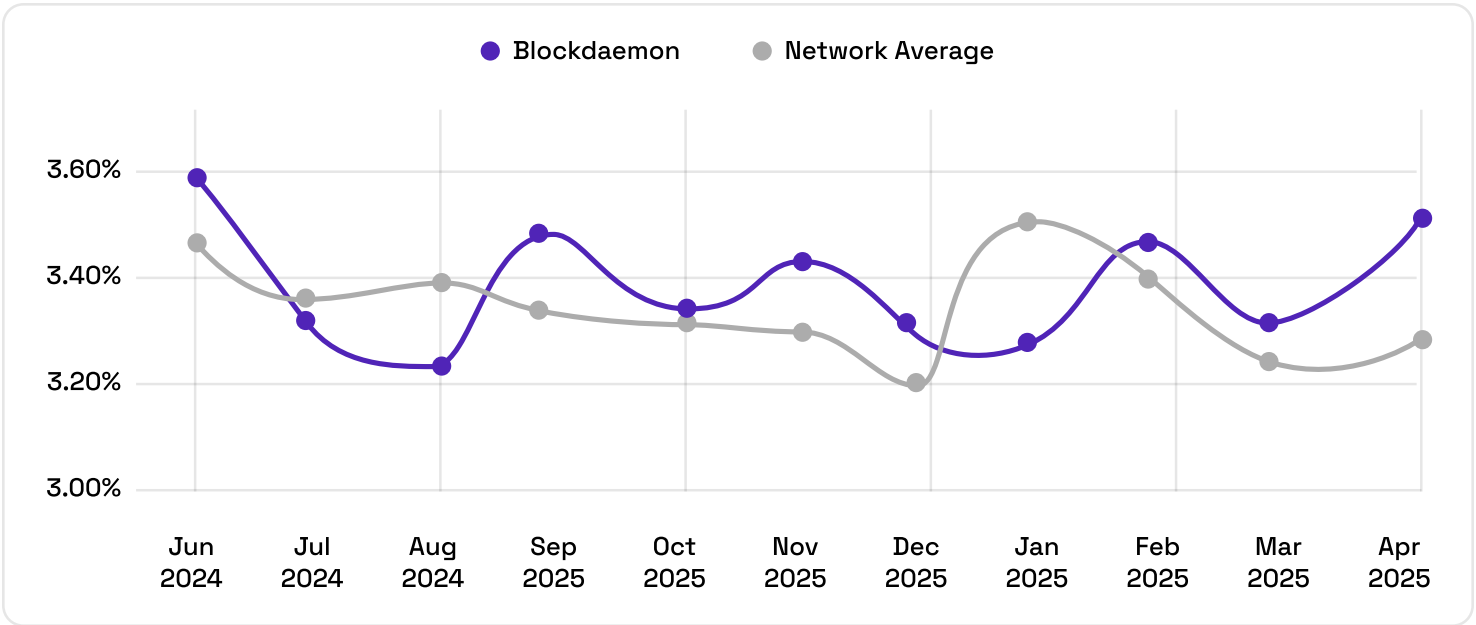
April Protocol Reward Rate (PRR)

Blockdaemon PRR Average	3.54%	Network PRR Average	3.29%

PRR (Protocol Rewards Rate): An estimate of the protocol rewards rate based on past ETH staking data. It does not guarantee future results. Blockdaemon uses the Rated.network API to track the PRR of all ETH validators Blockdaemon currently operates. This allows for apples-to-apples comparisons, based on a third-party standard.

Blockdaemon outperformed the network average in April by 25 basis-points (BPS).

April started with higher volatility before calming in the second half. This late-month stability was potentially influenced by anticipation of the Pectra upgrade, dampened transaction flow and compressed rewards across the network.



Ethereum Ecosystem Update

In April 2025, Ethereum's ecosystem was characterized by anticipation for the Pectra upgrade and the continued impact of the March Dencun upgrade, leading to low L1 gas fees and surging L2 activity. While ETH's price lagged, the staking ecosystem showed steady growth, and institutional interest in staking intensified. DeFi faced competitive pressures but saw RWA tokenization expand, whereas the NFT market experienced a notable correction.

DeFi Strength

Ethereum DeFi TVL faced pressure from faster, cheaper chains, slightly reducing its market share. However, RWA tokenization TLV continued growing from increased institutional interest. Aave governance tokens surged with new integrations, Uniswap reported significant cumulative volume, and Curve Finance saw strong Q1 trading volume and new integrations.

Post-Dencun Network Dynamics

The March Dencun upgrade continued to impact the network with Ethereum L1 gas fees reaching historically low averages due to data load shifting to blobs. Layer 2 (L2) solutions demonstrated significant dominance, processing transaction volumes over 6x higher than L1 at peak.

Governance

The Ethereum Foundation underwent a major leadership restructure, appointing co-Executive Directors and outlining strategic priorities like L1 scaling and user experience. Discussions continued around future upgrades like Fusaka and the deferral of EVM Object Format (EOF) from Pectra.

NFT Market Challenges

The Ethereum NFT market experienced a significant downturn in April, with sales volume dropping over 40% and unique buyers hitting multi-year lows. Despite this, blue-chip collections showed resilience, with CryptoPunks dominating high-value sales.

Infrastructure

Layer 2 solutions saw record transaction dominance due to lower fees post-Dencun. The overall crypto security landscape saw significant losses, primarily from phishing attacks, though major Ethereum L1 protocol exploits were not the main driver.

Community Engagement

The developer ecosystem showed a continued shift towards L2s, with over half of Ethereum developers working on these solutions through April. The Ethereum Foundation allocated $32.65 million in Q1 2025 to support ecosystem growth, including developer tools and community education.

Tokenomics & Market Pressure

ETH supply remained relatively stable, but the low gas fee environment significantly reduced the amount of ETH burned via EIP-1559, impacting its deflationary potential during the month.

Regulatory Outlook

Discussions around the potential for staking within Ethereum ETFs intensified, with asset managers like Grayscale engaging with regulators.

Network Upgrades

The Dencun upgrade's impact was evident, with persistently low L1 gas fees and significantly reduced L2 transaction costs.

Ethereum's Pectra Upgrade

With the successful launch of the Pectra upgrade on May 7, we see opportunities to further refine our MEV capture strategies and onboard PRR opportunities.

Our focus remains on leveraging operational strengths, analysing MEV timing game cohorts at a more granular view (including cloud-based and bare metal instances and types, and opportunities to minimize latency and optimize performance), and closely monitoring market dynamics as the Ethereum ecosystem continues to evolve.

To learn more about how Pectra impacts your institutional staking strategy, access our Pectra: What's New For Institutional ETH Staking? webinar on-demand today, or check out the FAQs on our dedicated Pectra page.

Staking with Blockdaemon

- 0 Slashing events last 12 months
- 100% machine uptime
- 99.9% protocol uptime
- Custom deployment solutions
- Slashing Guarantee
- 24/7 Support

Blockdaemon 😈 Validator

ACTIVE VALIDATORS	NET PENETRATION	APR %	RAVER
10,690	0.99%	3.12%	9.81%

EFFECTIVENESS BREAKDOWN

PARTICPATION RATE	INCLUSION DELAY	CORRECTNESS
99.9%	1.011%	99.3%

Public Rated.network view, only includes publicly-tagged Blockdaemon validators (not representative of whole fleet operated)

Compliance First

Overview of OFAC Compliance:

OFAC compliance means putting in place safeguards to prevent transactions from reaching or involving sanctioned individuals or entities. We use third-party relays that block transactions from or to OFAC-sanctioned addresses.

Relays and Their Role:

A relay is a component that acts as a trusted layer between block builders and validators, ensuring fair payload routing, block validity, and data availability.

Relays play a critical part in managing Maximal Extractable Value (MEV).

Relays aggregate bids from multiple block builders, submitting the highest to validators, allowing for MEV extraction by ensuring validators get the most profitable blocks.

Validators connect with relays, which aggregate and relay winning bids on blocks, while mitigating the risks associated with MEV manipulation.

Why Choose Blockdaemon?

Risk Mitigation, Security & Crypto Optimized Infra

- Proactive Security
- 24/7 Monitoring
- Vulnerability Management
- High Availability & Privacy By Default

Adherence to Highest Level of Compliance

- ISO 27001 Certified
- Proactive Leaders in Crypto Organizations
- Compliant with GDPR, UK GDPR, US (CCPA, etc)
- On-chain behavioral indicators and risk scoring

Chat with us today to discuss your staking options.

BOOK A MEETING 🔗