BITBULLNEWS DATA · CRYPTO INDUSTRY HEALTH

VERSION 1

# BBN ACTIVITY INDEX

## PUBLIC METHODOLOGY

**BBN Activity is BitBullNews' flagship monthly read** on business conditions across the crypto and blockchain industry. It is built to show whether the sector is expanding, contracting or holding steady as a working business ecosystem — exchanges, infrastructure firms, DeFi teams, custody providers, analytics shops, stablecoin operators and the rest — rather than whether token prices happen to be rising. Each month it asks the companies that run the industry a deliberately plain question: is there more real activity now than there was last month?

**HOW TO READ IT**

A reading above 50.0 means the sector is expanding; below 50.0 means it is contracting; exactly 50.0 means no net change from the prior month. The further a reading sits from 50.0, the faster the implied pace of change. A rising index means activity is broadening across the panel; a falling index means momentum is cooling or narrowing to fewer firms.

| < 50.0 | 50.0 | > 50.0 |
|---|---|---|
| CONTRACTION | NO CHANGE | EXPANSION |

| | |
|---|---|
| **Index family** | BBN Indices · Crypto Industry Health |
| **Index name** | BBN Activity Index |
| **Primary objective** | Measure monthly expansion or contraction in crypto-industry business conditions |
| **Update frequency** | Monthly |
| **Target panel** | 180–250 active crypto and blockchain companies |
| **Target responses** | 120–160 valid company responses per month |
| **Publication thresholds** | 75+ responses — full headline · 60–74 — provisional · below 60 — no headline |
| **Methodology version** | Version 1 — inaugural public release |
| **Published by** | BitBullMedia Pte. Ltd., 51 Goldhill Plaza, Singapore · UEN 202224841R |

**POSITIONING**

BBN Activity is published as an industry indicator — a directional thermometer for crypto-industry business conditions. It is not an official statistic, not a regulated financial benchmark and not a price index.

## 01 WHAT THE INDEX MEASURES

BBN Activity measures the direction and breadth of business conditions inside the crypto industry. It is constructed from structured, company-level operating signals — not from token prices, social-media sentiment, website traffic or news volume. Each response is sorted into five headline components, chosen because together they describe how a business actually expands or contracts.

| COMPONENT | WHAT IT CAPTURES |
|---|---|
| **New demand** | New clients, user demand, institutional inquiries, enterprise pipeline, integrations and qualified leads. |
| **Revenue momentum** | Fees, spreads, subscription and SaaS revenue, and protocol or business monetization. |
| **Operating activity** | Output, service load, transaction and usage volume, trading activity or general workload, depending on firm type. |
| **Employment posture** | Hiring, approved roles, headcount direction, selective hiring, freezes or reductions. |
| **Pipeline / backlog** | Qualified pipeline, signed-but-not-yet-active mandates, the implementation queue and near-term business flow. |

## 02 COMPANY PANEL AND COVERAGE

The index draws on a structured company panel rather than an open survey, because an open survey would over-represent whichever firms are easiest to reach or keenest to promote themselves. The working standard is an active panel of 180–250 crypto and blockchain companies and a target of 120–160 valid responses each month. A full headline reading is published with at least 75 valid responses and at least 80% of the target sector weight represented; a provisional reading is published with 60–74 responses, or with 75 or more where sector coverage is below 80%. Below 60 responses, no headline is released.

### SECTOR COMPOSITION

The panel is stratified by business model, because different crypto businesses feel activity in different ways — an exchange through trading flow, a stablecoin issuer through settlement volume, a security firm through audit demand, an infrastructure provider through developer and enterprise usage. No single sector is allowed to define the headline.

| SECTOR SLEEVE | TARGET WEIGHT | IDEAL COUNT |
|---|---|---|
| Exchanges, brokers and trading venues | 12% | 22–30 |
| Market makers and trading infrastructure | 8% | 14–20 |
| Wallets, custody and payments | 10% | 18–25 |
| Stablecoin and settlement infrastructure | 8% | 14–20 |
| DeFi, lending, staking and on-chain finance | 12% | 22–30 |
| L1/L2, infrastructure, tooling and developer platforms | 16% | 30–40 |
| Security, compliance and analytics | 10% | 18–25 |
| Mining, validators and node infrastructure | 8% | 14–20 |
| Tokenization, RWA and institutional platforms | 8% | 14–20 |
| Consumer apps, gaming, media, data and research | 8% | 14–20 |
| **Total** | **100%** | **180–250** |

### COMPANY SCALE AND INCLUSION

The panel deliberately mixes large platforms, mid-sized operators and emerging significant firms, because business-cycle turns often show up first in mid-sized and emerging companies; micro-projects are capped so they cannot add noise. The shares below are central targets with a ±5-point tolerance and sum to 100% at their central values. The default inclusion threshold is 15 employees or clear ecosystem significance, and smaller projects are admitted only where their activity is economically relevant.

| SIZE TIER | DEFINITION | TARGET SHARE |
|---|---|---|
| **Large operators** | 250+ employees, major platform or protocol status, or clear systemic relevance. | **25% (±5)** |
| **Mid-sized operators** | 50–249 employees, or comparable operational scale in protocol or network terms. | **45% (±5)** |
| **Emerging significant** | 15–49 employees, with credible product, funding, usage or ecosystem role. | **25% (±5)** |
| **Specialist additions** | Selected firms outside the standard tiers, e.g. lean but systemically relevant teams. | **≤ 5%** |

### PANEL REFRESH AND SURVIVORSHIP

The panel is reviewed quarterly. A company leaves it when it ceases operations, undergoes a change that breaks comparability, or fails to respond for four consecutive months. A firm that exits through closure is not quietly dropped: its last valid response is kept in the trailing three-month average where relevant, and a short panel-change note accompanies any month in which attrition tops 5% of the active panel in a single quarter. This keeps the index from looking stronger simply because weaker firms have disappeared. Sector target weights are reviewed at least once a year; any change is announced at least 30 days ahead with a clear effective date and never takes effect within a release cycle.

## 03 RESPONDENTS, SOURCES AND INPUTS

Responses are sought from the people closest to operating data, which keeps the index from drifting into a public-relations survey. Communications-only contacts are not accepted for the headline calculation. Where one person represents several in-scope entities, only the entity they directly run is counted, so no company is represented twice. All company-level responses are confidential unless a firm gives permission to be identified or quoted.

| COMPANY TYPE | PRIMARY RESPONDENTS | ACCEPTABLE BACKUPS |
|---|---|---|
| **Large firms** | COO, VP Operations, Head of Strategy, Finance lead or business-unit lead. | Chief of Staff or strategy lead with documented access to internal operating data. |
| **Mid-sized firms** | Founder/CEO, COO, Chief of Staff, Head of Growth or Finance lead. | Senior operations manager with reporting access. |
| **Small significant firms** | Founder/CEO or COO. | Finance or operations lead. |
| **Protocol / DAO-linked** | Core contributor, foundation operations lead or ecosystem/growth lead. | Analytics or business-development lead with access to operating metrics. |

### GEOGRAPHIC COVERAGE

Respondents come from a global panel and are tagged by primary operating region — Americas, EMEA and Asia-Pacific. No single region may contribute more than 50% of the weighted headline responses; if it does, the surplus is scaled back proportionally so that regional concentration cannot quietly change what the index means from one month to the next.

### THE MONTHLY QUESTIONNAIRE

Each month, respondents compare the current month with the previous one and mark every dimension as Increased, Unchanged or Decreased. The same three-way structure works across very different business models and lets the index measure both direction and breadth.

| QUESTION | INPUT COLLECTED | INDEX USE |
|---|---|---|
| **Q1 — New demand** | Did new client, user or institutional demand rise, hold or fall? | Demand subindex |
| **Q2 — Revenue momentum** | Did revenue, fees or monetized usage rise, hold or fall? | Revenue subindex |
| **Q3 — Operating activity** | Did output, usage, transaction load or service activity rise, hold or fall? | Operating-activity subindex |
| **Q4 — Employment posture** | Did employment or approved hiring rise, hold or fall? | Employment subindex |
| **Q5 — Pipeline / backlog** | Did pipeline, backlog, qualified leads or signed mandates rise, hold or fall? | Pipeline subindex |
| **Q6 — Reason code** | Main reason for change: demand, pricing, market conditions, product launch, regulation, liquidity, seasonality or other. | Context only; not used in the calculation |
| **Q7 — Confidence** | Respondent confidence in the direction reported: high, medium or low. | Quality-control screening only; never a weight multiplier |

## 04 HOW THE INDEX IS CALCULATED

BBN Activity is a weighted diffusion index. Each valid answer is first converted into a directional score.

| INCREASED | UNCHANGED | DECREASED |
|---|---|---|
| 100 | 50 | 0 |

For each component, the index is the weighted average of those scores across all valid responses, which is equivalent to the standard diffusion form — the share reporting an increase plus half the share reporting no change (with the shares expressed in percentage points):

$$\text{Component index} = \Sigma \left( w_i \times \text{score}_i \right) \div \Sigma\, w_i$$

EQUIVALENT TO % INCREASED + 0.5 × % UNCHANGED

The weights $w_i$ are the sector- and size-tier post-stratification weights described in the next section. The five components then combine into the headline using fixed weights.

| HEADLINE COMPONENT | HEADLINE WEIGHT |
|---|---|
| New demand | 30% |
| Revenue momentum | 25% |
| Operating activity | 20% |
| Employment posture | 15% |
| Pipeline / backlog | 10% |
| **Total** | **100%** |

$$\text{BBN Activity} = 0.30 \cdot D + 0.25 \cdot R + 0.20 \cdot O + 0.15 \cdot E + 0.10 \cdot P$$

D DEMAND · R REVENUE · O OPERATING ACTIVITY · E EMPLOYMENT · P PIPELINE — ROUNDED TO ONE DECIMAL

Component weights follow established business-survey practice, in which forward-looking demand and pipeline signals lead lagging signals such as hiring. They are judgmental rather than statistically optimized, since crypto's history is still too short and too volatile for a stable optimization to mean much. They are reviewed annually alongside the sector weights, with at least 30 days' notice before any change.

## 05 WEIGHTING AND REPRESENTATIVENESS

The headline is not a raw average of respondents, which would simply hand the month to whichever sector answered most actively. Instead, controlled post-stratification weighting holds the panel to its intended shape.

| WEIGHT LAYER | RULE |
|---|---|
| Sector target weight | Keeps the reading representative of the industry rather than the month's most responsive segment. |
| Company size-tier weight | Balances large operators, mid-sized firms and emerging significant firms. |
| Regional cap | No single region may exceed 50% of total weighted headline responses. |
| Single-company cap | No single respondent may exceed 2.5% of total weight in the headline reading. |
| Confidence screening | Low-confidence answers are reviewed and may be excluded where there are clear data gaps, but are never used as a sliding multiplier on response weight. |

Every weighting parameter for a given month is fixed before any of that month's responses are seen. Nothing is re-weighted in-cycle in response to incoming data, and no discretionary re-weighting takes place between the close of the response window and publication.

## 06 PUBLICATION THRESHOLDS

A headline reading is published only when the response set is large enough and broad enough to stand in for the target panel, which protects the index from being driven by a temporary shift in who happened to answer.

| CONDITION | REQUIRED THRESHOLD | PUBLICATION TREATMENT |
|---|---|---|
| **Full headline** | 75+ valid responses and 80%+ of target sector weight. | Headline, five subindices, three-month moving average and breadth indicator. |
| **Preferred standard** | 120–160 valid responses with full sector coverage. | Headline, subindices and sector commentary with standard confidence labeling. |
| **Provisional** | 60–74 valid responses, or 75+ with sector coverage below 80%. | Published with a clear “Provisional” label; may be revised next cycle. |
| **No headline** | Fewer than 60 valid responses. | No headline; a brief coverage note is issued instead. |
| **Sector subindex** | 10+ responses in the sector and no firm above 25% of in-sector weight (15–25 preferred). | Sector reading published with a coverage-appropriate confidence label. |

## 07 DATA VALIDATION AND QUALITY CONTROL

Before any value is calculated, responses pass through documented quality controls — applied by rule, not by judgment in the moment.

| CONTROL | HOW IT WORKS |
|---|---|
| **Completeness** | All five headline questions must be answered for a response to enter the headline; partial answers feed sector commentary only. |
| **Respondent authority** | Responses are classified by role and proximity to operating data; communications-only responses are excluded from the headline. |
| **Consistency** | A response is flagged when its Q1–Q5 directions conflict in a way the reason code does not explain, or when it contradicts the same firm's prior month by more than two categories on three or more questions. Flagged items are reviewed, then accepted, queried or excluded with a logged reason. |
| **Duplicate control** | Multiple responses from one company are consolidated to the most senior operating role; the rest are kept for reference but not counted. |
| **Public-signal cross-check** | Public information — hiring pages, on-chain usage, funding and product news — can flag a response for review or reject a clearly false one, but never silently overwrites a reported direction. Any rejection is logged. |
| **Outlier review** | A response is flagged when its component scores sit more than 2.5 standard deviations from that firm's twelve-month trailing distribution, or when the implied change conflicts with known company events. Flagged items may be held for verification but are not capped or rescaled inside the calculation. |
| **Panel drift** | The monthly respondent mix is compared with target sector, size-tier and regional shares; where drift exceeds tolerance, post-stratification weights restore the intended structure. |

## 08 MISSING DATA, LATE RESPONSES AND REVISIONS

A company that does not respond is excluded from that month — it is never imputed as “unchanged” — and persistent silence over four consecutive cycles triggers a panel review. A late but validated response can be folded into the next cycle's revision window when it materially improves sector coverage or corrects an earlier reading. A prior headline is restated only when late responses, corrected data or quality-control findings would move it by 0.3 points or more; smaller changes are noted internally without a public restatement. Every restatement carries a revision note giving the original value, the new value and the reason, and restatements beyond a single cycle are rare and always explained.

## 09 INTERPRETATION FRAMEWORK

Headline values are rounded to one decimal and fall into exactly one of the bands below — they neither overlap nor leave gaps. The index reads the direction and breadth of monthly change, not absolute industry size: a reading of 55 does not mean the industry is larger than at 50, only that expansion is broader and stronger than the no-change line. Single months are best read against the three-month moving average and the breadth indicator rather than on their own.

| READING | LABEL | INTERPRETATION |
|---|---|---|
| ≥ 60.0 | **Strong expansion** | Broad, fast expansion in crypto business conditions. |
| 55.0 – 59.9 | **Clear expansion** | Healthy expansion with good breadth across components. |
| 52.0 – 54.9 | **Moderate expansion** | Positive but not overheated conditions. |
| 50.1 – 51.9 | **Marginal expansion** | Slight improvement; trend confirmation needed. |
| 50.0 | **Neutral / flat** | No net change from the previous month. |
| 48.1 – 49.9 | **Marginal contraction** | Slight weakening; trend confirmation needed. |
| 45.0 – 48.0 | **Contraction** | Activity is weakening across the panel. |
| < 45.0 | **Sharp contraction** | Broad and potentially stressed decline in conditions. |

## 10 WHAT IS PUBLISHED EACH MONTH

| ITEM | DESCRIPTION |
|---|---|
| **Headline reading** | Current-month BBN Activity value and month-over-month change. |
| **Five subindices** | Demand, revenue, operating activity, employment and pipeline. |
| **Three-month average** | Trend smoother that reduces month-to-month noise. |
| **Breadth indicator** | Share of weighted respondents reporting increased activity. |
| **Sector commentary** | Published only for sleeves that clear the coverage thresholds. |
| **Coverage statement** | Valid responses, sector and regional coverage, and any active provisional labels. |
| **Revision note** | Published whenever a prior reading is restated, with original value, new value and reason. |

## 11 INDEPENDENCE, SCOPE AND VERSIONING

### INDEPENDENCE AND CONFIDENTIALITY

All methodology decisions — panel composition, weighting, publication thresholds and revisions — are made internally by BitBullNews and are not delegated to any commercial counterparty. No sponsor, advertiser or partner can influence the formula, the weights, panel decisions, the revision policy or a monthly reading. A respondent that also happens to be a commercial counterparty receives no preferential treatment, and the same quality controls apply. Responses that look promotional, inconsistent or unverifiable may be removed or downweighted, and any such action is logged.

### SCOPE AND LIMITATIONS

BBN Activity is a directional, diffusion-style indicator of crypto-industry business conditions, informed by established business-survey practice. It is **not** an official government statistic, a regulated financial benchmark, a token-price or market-cap index, a measure of total industry output, or investment advice. The panel is specialized rather than a full census of the industry, so coverage gaps exist and are managed through the controls above.

### VERSIONING AND CHANGE MANAGEMENT

This is the inaugural publication, Version 1. Material changes — to component or sector weights, publication thresholds, the panel framework or the calculation formula — are announced at least 30 days before they take effect, with a clear effective date. Minor editorial corrections that do not change the meaning of the methodology are recorded in the version history without a notice period.

### LEGAL NOTE