

Risk Factors Comparison 2025-02-18 to 2024-02-15 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

You should carefully consider the risks described below before making an investment decision. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also ~~impair~~ **impact us**, our business ~~operations~~, **our bitcoin holdings, or our securities**. If any of the following risks occur, our business, financial condition, or results of operations could be materially adversely affected. In such case, the market price of our class A common stock **and our series A perpetual strike preferred stock, which we refer to collectively as our “ listed securities, ”** could decline, and you may lose all or part of your investment . **On August 7, 2024, we completed a 10- for- 1 stock split of our class A and class B common stock. See Note 2 (a), Summary of Significant Accounting Policies – Basis of Presentation, to the Consolidated Financial Statements, for further information. As a result of the stock split, all applicable share and per share information presented within this Item 1A. Risk Factors has been retroactively adjusted to reflect the stock split for all periods presented** . Risks Related to Our Business in General Our quarterly operating results, revenues, and expenses may fluctuate significantly, which could have an adverse effect on the market price of our ~~stock~~ **listed securities** . For many reasons, including those described below, our operating results, revenues, and expenses have varied in the past and may vary significantly in the future from quarter to quarter. These fluctuations could have an adverse effect on the market price of our **listed securities** ~~class A common stock~~ . Fluctuations in Quarterly Operating Results. Our quarterly operating results may fluctuate, in part, as a result of: • fluctuations in the price of bitcoin, of which we have significant holdings and with respect to which we expect to continue to make significant future purchases, and potential ~~material impairment~~ **fair value charges** ~~changes that may be~~ associated therewith; • any sales by us of our bitcoin at prices above **or below** ~~their then-current carrying costs~~ **value**, which would result in our recording gains **or losses** upon sale of our digital assets ~~bitcoin~~; • **the incurrence of tax liabilities on future unrealized gains on our bitcoin or as result of the cumulative- effect net increase of \$ 12. 745 billion to the opening balance of our retained earnings as of January 1, 2025 in connection with the adoption of ASU 2023- 08** ; • regulatory, commercial, and technical developments related to bitcoin or the Bitcoin blockchain, or digital assets more generally; • **the incurrence size, timing, volume, and execution of additional fixed interest** significant orders and deliveries; • the mix of our offerings ordered by customers, including product licenses and cloud subscriptions, which can affect the extent to which revenue is recognized immediately or over future quarterly periods; • **the timing of the release or delivery of new or enhanced offerings and market acceptance of new and enhanced offerings;** • **the timing of announcements of new offerings by us or our competitors;** • **changes** ~~charges in our~~ **or dividend obligations on preferred stock** pricing policies or those of our competitors; • the length of our sales cycles; • seasonal or other buying patterns of our customers; • changes in our operating expenses; • the impact of war, terrorism, infectious diseases (such as COVID- 19), natural disasters and other global events, and government responses to such events, on the global economy and **the market for** ~~on our customers, suppliers, employees, and business~~ **price of bitcoin** ; • **significant changes to our software business, including significant changes in our software sales or operating expenses, or** the timing of **announcements of new offerings or** research and development projects ; • utilization of our consulting and education services, which can be affected by **us** delays or deferrals of customer implementation of our ~~or~~ software; • fluctuations in foreign currency exchange rates; • ~~bilateral or~~ **our competitors** multilateral trade tensions, which could affect our offerings in particular foreign markets; • our profitability and expectations for future profitability and their effect on our deferred tax ~~assets~~ **balances** and net income for the period in which any adjustment to our net deferred tax asset valuation allowance may be made; **and** • increases or decreases in our ~~liability for~~ unrecognized tax benefits ; **and** • changes in customer decision- making processes or customer budgets . Limited Ability to Adjust Expenses. We base our operating expense budgets on expected revenue trends and strategic objectives. Many of our expenses, such as interest expense on our ~~long-term~~ debt , **dividend obligations on our preferred stock, tax liabilities** , office leases and certain personnel costs, are relatively fixed. We may be unable to adjust spending quickly enough to offset any unexpected ~~revenue shortfall in~~ **or our cash flow** ~~impairment losses related to our digital assets~~ . Accordingly, ~~any shortfall in revenue~~ **we may be required to take actions to pay expenses, such as selling bitcoin or using proceeds** from ~~equity~~ **our** ~~or~~ **debt financings, some of which could** enterprise analytics software business or impairment losses related to our digital assets ~~may~~ cause significant variation in operating results in any quarter. Based on the above factors, we believe quarter- to- quarter comparisons of our operating results are not a good indication of our future performance. It is possible that in one or more future quarters, our operating results may be below the expectations of public market analysts and investors. In that event, the market price of our ~~listed securities~~ **class A common stock** may fall. We may not be able to ~~achieve~~ **regain** profitability in future periods We generated ~~a net income~~ **loss** for the fiscal year ended December 31, 2023 ~~2024~~, **primarily** due in part to a \$ 553 ~~1. 6-790 million~~ **billion** tax benefit generated primarily from the release of ~~digital~~ the valuation allowance on our deferred tax asset ~~related to the impairment~~ **losses** on our bitcoin holdings (attributable to the increase in market value of bitcoin as of December 31, 2023 compared to December 31, 2022) and a \$ 44 . **We** 7 million gain on debt extinguishment resulting from the repayment of the 2025 Secured Term Loan, however, we may not be able to ~~achieve~~ **regain** profitability in future periods . ~~If our revenues are not sufficient to offset our operating expenses,~~ **particularly if** we are unable to adjust our operating expenses in a timely manner in response to any shortfall in anticipated revenue, ~~or we incur additional significant~~ **impairment** ~~fair value~~ losses related to our digital assets ; ~~we may incur operating losses in future periods, our profitability may decrease, or we may cease to be profitable~~ . As a result, our ~~business,~~ results of operations , and financial condition may be materially adversely affected. As of December 31, 2023 ~~2024~~, we had \$ 757 ~~1. 6-525 million~~ **billion** of deferred tax assets ; ~~which reflects a \$ 1. 4~~

million valuation allowance. The largest deferred tax asset relates to the impairment on our bitcoin holdings, which was reversed upon our adoption. Changes to the valuation allowance against the deferred tax asset are largely dependent on the change in the market value of ASU bitcoin from the previous reporting date. During 2023 - 08, If, the value of bitcoin increased substantially which allowed us to release the valuation allowance recorded against the bitcoin holding; however, if the market value of bitcoin at a future reporting date is less than the average cost basis of our bitcoin holdings at such reporting date, we may be required to establish a valuation allowance against our U. S. deferred tax assets. Additionally, if we do not achieve profitability in the future, we may also be required to increase the valuation allowance against the remaining deferred tax assets. A significant increase in the valuation allowance could result in a charge that would materially adversely affect net income in the period in which the charge is incurred. A significant decrease in the market value of our bitcoin holdings could adversely affect our ability to satisfy our financial obligations. As of December 31, 2024, our outstanding indebtedness was \$ 7. 274 billion, and our annual contractual interest expense was \$ 35. 1 million. Additionally, as of February 14, 2025, we had outstanding series A perpetual strike preferred stock with a liquidation preference of \$ 730. 0 million in the aggregate, with respect to which we are required to pay annual dividends of \$ 58. 4 million, which we can pay in cash or shares of our class A common stock. As part of our bitcoin strategy, we expect to incur or continue to incur additional indebtedness and other fixed charges. For the year ended December 31, 2024, our enterprise analytics software business did not generate positive cash flow from operations. If our enterprise analytics software business does not generate cash flow in future periods sufficient to satisfy our financial obligations, including our debt and cash dividend obligations, we intend to fund our obligations using cash flow generated by equity or debt financings. Our ability to obtain equity or debt financing may in turn depend on, among other factors, the value of our bitcoin holdings, investor sentiment and the general public perception of bitcoin, our strategy and our value proposition. Accordingly, a significant decline in the market value of our bitcoin holdings or a negative shift in these other factors may create liquidity and credit risks, as such a decline or such shifts may adversely impact our ability to secure sufficient equity or debt financing to satisfy our financial obligations, including our debt and cash dividend obligations. These risks could materialize at times when bitcoin is trading below its carrying value on our most recent balance sheet or our cost basis. As bitcoin constitutes the vast bulk of assets on our balance sheet, if we are unable to secure equity or debt financing in a timely manner, on favorable terms, or at all, we may be required to sell bitcoin to satisfy these obligations. Any such sale of bitcoin may have a material adverse effect on our operating results and financial condition, and could impair our ability to secure additional equity or debt financing in the future. Our inability to secure additional equity or debt financing in a timely manner, on favorable terms or at all, or to sell our bitcoin in amounts and at prices sufficient to satisfy our financial obligations, including our debt service and cash dividend obligations, could cause us to default under such obligations. Any default on our current or future indebtedness or preferred stock may have a material adverse effect on our financial condition. See “ Risks Related to Our Outstanding and Potential Future Indebtedness ” and “ Risks Related to Our Series A Perpetual Strike Preferred Stock ” for additional details about the risks which may impact us if we are unable to satisfy our debt service and cash dividend obligations. Unrealized fair value gains on our bitcoin holdings could cause us to become subject to the corporate alternative minimum tax under the Inflation Reduction Act of 2022 The U. S. enacted the Inflation Reduction Act of 2022 (“ IRA ”) in August 2022. Unless an exemption applies, the IRA imposes a 15 % corporate alternative minimum tax (“ CAMT ”) on a corporation with respect to an initial tax year and subsequent tax years, if the average annual adjusted financial statement income for any consecutive three- tax- year period preceding the initial tax year exceeds \$ 1 billion. On September 12, 2024, the Department of Treasury and the Internal Revenue Service issued proposed regulations with respect to the application of the CAMT. On January 1, 2025, we adopted ASU 2023- 08. ASU 2023- 08 requires us to measure our bitcoin holdings at fair value in our statement of financial position, with gains and losses from changes in the fair value of our bitcoin recognized in net income each reporting period. As a result of our adoption of ASU 2023- 08, as of January 1, 2025, we are required to apply a cumulative- effect net increase to the opening balance of our retained earnings of \$ 12. 745 billion. For purposes of calculating the adjusted financial statement income, we will be required to ratably allocate from 2025 through 2028 this increase to our retained earnings. When determining whether we are subject to CAMT and when calculating any related tax liability for an applicable tax year, the proposed regulations provide that, among other adjustments, our adjusted financial statement income must include this ratable amount in addition to any unrealized gains or losses reported in the applicable tax year. Accordingly, as a result of the enactment of the IRA and our adoption of ASU 2023- 08 on January 1, 2025, unless the IRA is amended or the proposed regulations with respect to CAMT, when finalized, are revised to provide relief (or other interim relief is granted), we could become subject to the CAMT in the 2026 tax year and beyond. If we become subject to the CAMT, it could result in a material tax obligation that we would need to satisfy in cash, which could materially affect our financial results, including our earnings and cash flow, and our financial condition.

We may have exposure to greater than anticipated tax liabilities We are subject to income taxes and non- income taxes in a variety of domestic and foreign jurisdictions. Our future income tax liability could be materially adversely affected by earnings that are lower than anticipated in jurisdictions where we have lower statutory rates, earnings that are higher than anticipated in jurisdictions where we have higher statutory rates, changes in the valuation of our deferred tax assets and liabilities, changes in the amount of our unrecognized tax benefits, or changes in tax laws, regulations, accounting principles, or interpretations thereof. In addition, if we sold any of our bitcoin at prices greater than the cost basis of the bitcoin sold, we would incur a tax liability with respect to any gain recognized, and such tax liability could be material. Changes in the tax laws of foreign jurisdictions could arise, including as a result of the project undertaken by the Organisation for Economic Co- operation and Development (“ OECD ”) to combat base erosion and profit shifting (“ BEPS ”). The OECD, which represents a coalition of member countries, has issued recommendations that, in some cases, make substantial changes to numerous long- standing tax

positions and principles. These changes, many of which have been adopted or are under active consideration by OECD members and / or other countries, could increase tax uncertainty and may adversely affect our provision for income taxes. After enactment of the U. S. Tax Cuts and Jobs Act, most of our income is taxable in the U. S. with a significant portion taxable under the Global Intangible Low- Taxed Income (“ GILTI ”) regime. Beginning in fiscal year 2027, the deduction allowable under the GILTI regime will decrease from 50 % to 37. 5 %, which will increase the effective tax rate imposed on our income. The U. S. also enacted the **Inflation Reduction Act of 2022 (“ IRA ”)** in August 2022. **The On September 12, 2024, the Department of Treasury and the Internal Revenue Service issued proposed regulations with respect to the application of the CAMT. Unless an exemption applies, the IRA applies to imposes (i) a 1 % excise tax years beginning after December 31 on certain stock repurchases made by publicly traded U. S. corporations, 2022 and introduces (ii) a 15 % corporate alternative minimum tax for on a corporations- corporation whose with respect to an initial tax year and subsequent tax years, if the average annual adjusted financial statement income for any consecutive three- tax- year period preceding the initial tax year exceeds \$ 1 billion and a 1 % excise tax on certain stock repurchases made by publicly traded U. S. corporations after December 31, 2022. Subject to the risk factor heading “ Risks Related** release and content of the final regulations by the IRS with respect to **Our Business in General — the application of the minimum tax and treatment of unrealized Unrealized fair value gains on our bitcoin holdings could cause us to become subject to the corporate alternative minimum tax under the Inflation Reduction Act of 2022, upon” as a result of the enactment of the IRA and our adoption of Accounting Standards Update No. 2023- 08, Intangibles — Goodwill and Other — Crypto Assets (Subtopic 350- 60): Accounting for and Disclosure of Crypto Assets (“ ASU 2023- 08 ” on January 1, 2025, unless the IRA is amended or the proposed regulations with respect to CAMT are, when finalized, revised to provide relief (or other interim relief is granted), we could become subject to the alternative minimum CAMT in the 2026 tax year and beyond if, for example, we experience significant unrealized gains on our bitcoin holdings. If we become subject to these new taxes under the IRA for these or any other reasons, it could result in a material tax obligation that we would need to satisfy in cash, which could materially affect our financial results, including our earnings and cash flow, and our financial condition. Further, other existing U. S. tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied in a manner that negatively impacts us.** Our determination of our tax liability is subject to review by applicable domestic and foreign tax authorities. Any adverse outcome of such reviews could have an adverse effect on our operating results and financial condition. The determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment and there are many transactions and calculations, including in respect of transactions involving bitcoin, where the ultimate tax determination is uncertain. Moreover, as a multinational business, we have subsidiaries that engage in many intercompany transactions in a variety of tax jurisdictions where the ultimate tax determination is uncertain. We also have contingent tax liabilities that, in management’ s judgment, are not probable of assertion. If such unasserted contingent liabilities were to be asserted, or become probable of assertion, we may be required to record significant expenses and liabilities in the period in which these liabilities are asserted or become probable of assertion. As a result of these and other factors, the ultimate amount of tax obligations owed may differ from the amounts recorded in our financial statements and any such difference may materially affect our financial results in future periods in which we change our estimates of our tax obligations or in which the ultimate tax outcome is determined. **Risks Related to Our Bitcoin Acquisition Strategy and Holdings** Our bitcoin acquisition strategy exposes us to various risks, including risks associated with bitcoin. Our bitcoin acquisition strategy exposes us to various risks associated with bitcoin, including the following: Bitcoin is a highly volatile asset. Bitcoin is a highly volatile asset that has traded below \$ 20-50, 000 per bitcoin and above \$ 50-105, 000 per bitcoin on the Coinbase exchange (our principal market for bitcoin) in the 12 months preceding the date of this Annual Report. The trading price of bitcoin significantly decreased during prior periods, and such declines may occur again in the future. Bitcoin does not pay interest or dividends. Bitcoin does not pay interest or other returns and we can only generate cash from our bitcoin holdings if we sell our bitcoin or implement strategies to create income streams or otherwise generate cash by using our bitcoin holdings. Even if we pursue any such strategies, we may be unable to create income streams or otherwise generate cash from our bitcoin holdings, and any such strategies may subject us to additional risks. Our bitcoin holdings significantly impact our financial results and the market price of our **listed securities class A common stock**. Our bitcoin holdings have significantly affected our financial results and if we continue to increase our overall holdings of bitcoin in the future, they will have an even greater impact on our financial results and the market price of our **listed securities class A common stock**. See “ Risks Related to Our Bitcoin Acquisition Strategy and Holdings – Our historical financial statements do not reflect the potential variability in earnings that we may experience in the future relating to our bitcoin holdings. ” Our **assets are concentrated in bitcoin acquisition. The vast majority of our assets are concentrated in our bitcoin holdings. The concentration of our assets in bitcoin limits our ability to mitigate risk that could otherwise be achieved by holding a more diversified portfolio of treasury assets. We purchase bitcoin using primarily proceeds from equity and debt financings. Our ability to achieve the objectives of our bitcoin strategy depends in significant part on our ability to obtain equity and debt financing. If we are unable to obtain equity or debt financing on favorable terms or at all, we may not be able to successfully execute on our bitcoin strategy. Our bitcoin** strategy has not been tested over an extended period of time or under different market conditions. We are continually examining the risks and rewards of our **bitcoin acquisition strategy to acquire and hold bitcoin**. This strategy has not been tested over an extended period of time or under different market conditions. For example, although we believe bitcoin, due to its limited supply, has the potential to serve as a hedge against inflation in the long term, the short- term price of bitcoin declined in recent periods during which the inflation rate increased. **Some investors and other market participants may disagree with our bitcoin acquisition strategy or actions we undertake to implement it.** If bitcoin prices were to decrease or our bitcoin acquisition strategy otherwise proves unsuccessful, our financial condition, results of operations, and the market price of our **listed securities class A common stock** would be materially adversely impacted. We are subject to counterparty risks, including in particular risks relating to our custodians.

Although we have implemented various measures that are designed to mitigate our counterparty risks, including by storing substantially all of the bitcoin we own in custody accounts at U. S.- based, institutional- grade custodians and negotiating contractual arrangements intended to establish that our property interest in custodially- held bitcoin is not subject to claims of our custodians' creditors, applicable insolvency law is not fully developed with respect to the holding of digital assets in custodial accounts. If our custodially- held bitcoin were nevertheless considered to be the property of our custodians' estates in the event that any such custodians were to enter bankruptcy, receivership or similar insolvency proceedings, we could be treated as a general unsecured creditor of such custodians, inhibiting our ability to exercise ownership rights with respect to such bitcoin, or delaying or hindering our access to our bitcoin holdings, and this may ultimately result in the loss of the value related to some or all of such bitcoin. Even if we are able to prevent our bitcoin from being considered the property of a custodian's bankruptcy estate as part of an insolvency proceeding, which it is possible that we would still be delayed or may otherwise experience difficulty in accessing our bitcoin held by the affected custodian during the pendency of the insolvency proceedings. Any such outcome could have a material adverse effect on our financial condition and as well as the market price of our listed securities class A common stock. The broader digital assets industry is subject to counterparty risks, which could adversely impact the adoption rate, price, and use of bitcoin. A series of recent high- profile bankruptcies, closures, liquidations, regulatory enforcement actions and other events relating to companies operating in the digital asset industry, including the filings for bankruptcy protection by Three Arrows Capital, Celsius Network, Voyager Digital, FTX Trading and Genesis Global Capital, the closure or liquidation of certain financial institutions that provided lending and other services to the digital assets industry, including Signature Bank and Silvergate Bank, SEC enforcement actions against Coinbase, Inc. and Binance Holdings Ltd., the placement of Prime Trust, LLC into receivership following a cease- and- desist order issued by Nevada's Department of Business and Industry, and the filing and subsequent settlement of a civil fraud lawsuit by the New York Attorney General against Genesis Global Capital, its parent company Digital Currency Group, Inc., and former partner Gemini Trust Company, have highlighted the counterparty risks applicable to owning and transacting in digital assets. Although these bankruptcies, closures, liquidations and other events have not resulted in any loss or misappropriation of our bitcoin, nor have such events adversely impacted our access to our bitcoin, they have, in the short- term, likely negatively impacted the adoption rate and use of bitcoin. Additional bankruptcies, closures, liquidations, regulatory enforcement actions or other events involving participants in the digital assets industry in the future may further negatively impact the adoption rate, price, and use of bitcoin, limit the availability to us of financing collateralized by bitcoin, or create or expose additional counterparty risks. Changes in our ownership of bitcoin could have accounting, regulatory and other impacts. While we currently own bitcoin directly and through our wholly owned subsidiaries, we may investigate other potential approaches to owning bitcoin, including indirect ownership (for example, through ownership interests in a fund that owns bitcoin). If we were to own all or a portion of our bitcoin in a different manner, the accounting treatment for our bitcoin, our ability to use our bitcoin as collateral for additional borrowings, and the regulatory requirements to which we are subject, may correspondingly change. Changes in the accounting treatment of our bitcoin holdings could have significant accounting impacts, including increasing the volatility of our results. We have adopted In December 2023, the FASB issued ASU 2023- 08 as of January 1, 2025, which upon our adoption will require requires us to measure in- scope crypto- assets (including our bitcoin holdings) at fair value in our statement of financial position, and to recognize gains and losses from changes in the fair value of our bitcoin in net income each reporting period beginning January 1, 2025. ASU 2023- 08 will also require requires us to provide certain interim and annual disclosures with respect to our bitcoin holdings. The standard is now effective for our interim and annual periods beginning January 1, 2025, with and we have applied a cumulative- effect adjustment net increase to the opening balance of retained earnings as of the beginning January 1, 2025 of \$ 12 the annual reporting period in which we adopt the guidance. 745 billion Early adoption is permitted in any interim or annual period for which our financial statements have not been issued as of the beginning of the annual reporting period. Due in particular to the volatility in the price of bitcoin, we expect the adoption of ASU 2023- 08 to have a material impact on our financial results in future periods, increase the volatility of our financial results, and affect the carrying value of our bitcoin on our balance sheet, and. As described in greater detail under the risk factor heading " Risks Related to Our Business in General — Unrealized fair value gains on our bitcoin holdings could cause us to become subject to the corporate alternative minimum tax under the Inflation Reduction Act of 2022, " ASU 2023- 08 could also have adverse tax consequences, which. These impacts could in turn could have a material adverse effect on our financial results and the market price of our listed securities class A common stock. Additionally, as a result of ASU 2023- 08 requiring a cumulative- effect adjustment to our opening balance of retained earnings as of January 1, 2025 the beginning of the annual period in which we adopt the guidance and not permitting retrospective restatement of our historical financial statements, our future results will not be comparable to results from periods prior to our adoption of the guidance. The broader digital assets industry, including the technology associated with digital assets, the rate of adoption and development of, and use cases for, digital assets, market perception of digital assets, and the legal, regulatory, and accounting treatment of digital assets are constantly developing and changing, and there may be additional risks in the future that are not possible to predict. Bitcoin is a highly volatile asset, and fluctuations in the price of bitcoin have in the past influenced and are likely to continue to influence our financial results and the market price of our listed securities class A common stock. Bitcoin is a highly volatile asset, and fluctuations in the price of bitcoin have in the past influenced and are likely to continue to influence our financial results and the market price of our listed securities class A common stock. Our financial results and the market price of our listed securities class A common stock would be adversely affected, and our business and financial condition would be negatively impacted, if the price of bitcoin decreased substantially (as it has in the past, including during 2022), including as a result of: • decreased user and investor confidence in bitcoin, including due to the various factors described herein; • investment and trading activities, such as (i) trading activities of highly active retail and institutional users, speculators, miners and investors; and (ii) actual or expected significant dispositions of bitcoin by large holders, including the expected liquidation of digital assets associated with

entities that have filed for bankruptcy protection, such as FTX, which in September 2023 received approval to sell up to \$3 billion worth of digital assets, including bitcoin, and the transfer and sale of bitcoins associated with significant hacks, seizures, or forfeitures, such as the transfers of bitcoin to (a) creditors of the hacked cryptocurrency exchange Mt. Gox which began in July 2024, (b) claimants following proceedings related to a 2016 hack of Bitfinex — which claims are currently being adjudicated, (c) the German government following the seizure of about 50,000 bitcoin in January 2024 from the operator of Movie2k, to, or (d) the Northern District Court of California granting the U. S. Department of Justice in January 2025 the right to liquidate 69,370 bitcoin seized from the Silk Road marketplace; and (iii) actual or perceived manipulation of the spot or derivative markets for bitcoin or spot bitcoin exchange-traded products (“ETPs”); • negative publicity, media or social media coverage, or sentiment due to events in or relating to, or perception of, bitcoin or the broader digital assets industry, for example, (i) public perception that bitcoin can be used as a vehicle to circumvent sanctions, including sanctions imposed on Russia or certain regions related to the ongoing conflict between Russia and Ukraine, or to fund criminal or terrorist activities, such as the purported use of digital assets by Hamas to fund its terrorist attack against Israel in October 2023; (ii) expected or pending civil, criminal, regulatory enforcement or other high profile actions against major participants in the bitcoin ecosystem, including the SEC’s enforcement actions against Coinbase, Inc. and Binance Holdings Ltd.; (iii) additional filings for bankruptcy protection or bankruptcy proceedings of major digital asset industry participants, such as the bankruptcy proceeding of FTX Trading and its affiliates; and (iv) the actual or perceived environmental impact of bitcoin and related activities, including environmental concerns raised by private individuals, governmental and non-governmental organizations, and other actors related to the energy resources consumed in the bitcoin mining process; • changes in consumer preferences and the perceived value or prospects of bitcoin; • competition from other digital assets that exhibit better speed, security, scalability, or energy efficiency, that feature other more favored characteristics, that are backed by governments, including the U. S. government, or reserves of fiat currencies, or that represent ownership or security interests in physical assets; • a decrease in the price of other digital assets, including stablecoins, or the crash or unavailability of stablecoins that are used as a medium of exchange for bitcoin purchase and sale transactions, such as the crash of the stablecoin Terra USD in 2022, to the extent the decrease in the price of such other digital assets or the unavailability of such stablecoins may cause a decrease in the price of bitcoin or adversely affect investor confidence in digital assets generally; • the identification of Satoshi Nakamoto, the pseudonymous person or persons who developed bitcoin, or the transfer of substantial amounts of bitcoin from bitcoin wallets attributed to Mr. Nakamoto; • developments relating to the Bitcoin protocol, including (i) changes to the Bitcoin protocol that impact its security, speed, scalability, usability, or value, such as changes to the cryptographic security protocol underpinning the Bitcoin blockchain, changes to the maximum number of bitcoin outstanding, changes to the mutability of transactions, changes relating to the size of blockchain blocks, and similar changes, (ii) failures to make upgrades to the Bitcoin protocol to adapt to security, technological, legal or other challenges, and (iii) changes to the Bitcoin protocol that introduce software bugs, security risks or other elements that adversely affect bitcoin; • disruptions, failures, unavailability, or interruptions in service of trading venues for bitcoin, such as, for example, the announcement by the digital asset exchange FTX Trading that it would freeze withdrawals and transfers from its accounts and subsequent filing for bankruptcy protection and the recent SEC enforcement action brought against Binance Holdings Ltd., which initially sought to freeze all of its assets during the pendency of the enforcement action and has since resulted in Binance discontinuing all fiat deposits and withdrawals in the U. S.; • the filing for bankruptcy protection by, liquidation of, or market concerns about the financial viability of digital asset custodians, trading venues, lending platforms, investment funds, or other digital asset industry participants, such as the filing for bankruptcy protection by digital asset trading venues FTX Trading and BlockFi and digital asset lending platforms Celsius Network and Voyager Digital Holdings in 2022, the ordered liquidation of the digital asset investment fund Three Arrows Capital in 2022, the announced liquidation of Silvergate Bank in 2023, the government-mandated closure and sale of Signature Bank in 2023, the placement of Prime Trust, LLC into receivership following a cease-and-desist order issued by the Nevada Department of Business and Industry in 2023, and the exit of Binance from the U. S. market as part of its settlement with the Department of Justice and other federal regulatory agencies; • regulatory, legislative, enforcement and judicial actions that adversely affect the price, ownership, transferability, trading volumes, legality or public perception of bitcoin, or that adversely affect the operations of or otherwise prevent digital asset custodians, trading venues, lending platforms or other digital assets industry participants from operating in a manner that allows them to continue to deliver services to the digital assets industry; • further reductions in mining rewards of bitcoin, including due to block reward halving events, which are events that occur after a specific period of time (the most recent of which occurred in April 2024) that reduce the block reward earned by “miners” who validate bitcoin transactions, or increases in the costs associated with bitcoin mining, including increases in electricity costs and hardware and software used in mining, that or new or enhanced regulation or taxation of bitcoin mining, which could further increase the costs associated with bitcoin mining, any of which may cause a decline in support for the Bitcoin network; • transaction congestion and fees associated with processing transactions on the Bitcoin network; • macroeconomic changes, such as changes in the level of interest rates and inflation, fiscal and monetary policies of governments, trade restrictions, and fiat currency devaluations; • developments in mathematics or technology, including in digital computing, algebraic geometry and quantum computing, that could result in the cryptography used by the Bitcoin blockchain becoming insecure or ineffective; and • changes in national and international economic and political conditions, including, without limitation, federal government policies, trade tariffs and trade disputes, the adverse impact impacts attributable to the economic and political instability caused by the current conflict between Russia and Ukraine and the economic sanctions adopted in response to the conflict, and the potential broadening of the Israel-Hamas conflict to other countries in the Middle East. Bitcoin and other digital assets are novel assets, and are subject to significant legal, commercial, regulatory and technical uncertainty. Bitcoin and other digital assets are relatively novel and are subject to significant uncertainty, which could adversely impact their price. The application of state and federal securities laws and other laws and

regulations to digital assets is unclear in certain respects, and it is possible that regulators in the United States or foreign countries may interpret or apply existing laws and regulations in a manner that adversely affects the price of **bitcoin or the ability of individuals or institutions such as us to own or transfer** bitcoin. The U. S. federal government, states, regulatory agencies, and foreign countries may also enact new laws and regulations, or pursue regulatory, legislative, enforcement or judicial actions, that could materially impact the price of bitcoin or the ability of individuals or institutions such as us to own or transfer bitcoin. For example, **within the past several years**:

- On March 9, 2022, President **Biden-Trump** signed an executive order relating to cryptocurrencies. While the executive order did not mandate the adoption of any specific regulations, it instructed **instructing various a working group comprised of representatives from key** federal agencies to consider potential **evaluate measures that can be taken to provide** regulatory **clarity and certainty built** measures, including the evaluation of the creation of a U. S. CBDC. A number of reports issued pursuant to the executive order have focused on **technology- neutral** various risks related to the digital asset ecosystem, and have recommended additional legislation and regulatory **regulations** oversight. On September 16, 2022, the White House released a framework for **individuals** digital asset development, based on reports from various government agencies, including the U. S. Department of Treasury, the Department of Justice, and the Department of Commerce. Among other things, the framework encourages regulators to pursue enforcement actions, issue guidance and rules to address current and emergent risks, support the development and use of innovative technologies by payment providers to increase access to instant payments, consider creating a federal framework to regulate nonbank payment providers, and evaluate whether to call upon Congress to amend **and firms involved** the Bank Secrecy Act and laws against unlicensed money transmission to apply explicitly to digital asset service providers. There have also been several bills introduced in Congress that propose to establish additional regulation and oversight of the digital asset markets.
- On April 4, 2022, SEC Chair Gary Gensler announced that he has asked SEC staff to work (i) to register and regulate digital asset platforms like securities exchanges; (ii) with the Commodity Futures Trading Commission on how to jointly address digital asset platforms that trade both securities and non-securities; (iii) on segregating out digital asset platforms' custody of customer assets, if appropriate; and (iv) on segregating out the market making functions of digital asset platforms, if appropriate. Similarly, foreign government authorities have recently expanded their efforts to restrict certain activities related to bitcoin and other digital assets **, including through well- defined jurisdictional regulatory boundaries**;
- On September 8, 2022, the White House Office of Science and Technology Policy issued a report in coordination with other **the** federal agencies relating to the climate and energy implications of digital assets, including bitcoin, in the United States. Among its findings are that digital assets are energy intensive and drive significant environmental impacts, and the report recommends further study of the environmental impact of digital assets and the development of environmental performance regulations for digital asset miners, which may include limiting or eliminating digital assets that use high energy intensity consensus mechanisms, including the proof-of-work consensus mechanisms on which the Bitcoin blockchain is based.
- On March 1, 2023, the U. S. Under Secretary for Domestic Finance provided an update on the development of a U. S. CBDC, indicating that the U. S. Department of Treasury would be providing an initial set of findings and recommendations regarding the development and adoption of a U. S. CBDC in the coming months.
- On April 14, 2023, the SEC reopened the comment period for its proposal to amend the definition of "exchange" under Exchange Act Rule 3b-16 to encompass trading and communication protocol systems for digital asset securities and trading systems that use distributed ledger or blockchain technology, including both so-called "centralized" and "decentralized" trading systems. The comment period is now closed. The SEC may determine whether to adopt the revised definition after an evaluation of comments provided during the comment period. If adopted in its proposed form, the new definition would have a sweeping impact on digital asset trading venues and other digital asset industry participants.
- The European Union **adopted** 's Markets in Crypto Assets Regulation ("MiCA"), a comprehensive digital asset regulatory framework for the issuance and use of digital assets, like bitcoin **;**, became effective in June 2023, with various requirements phasing into effect through 2024. MiCA also requires the European Commission (i) to provide a report on the environmental impact of crypto-assets and (ii) based upon such report, introduce mandatory minimum sustainability standards for consensus mechanisms, including the proof-of-work consensus mechanisms on which the Bitcoin blockchain is based.
- On June 5, 2023, the SEC filed a **complaints** against Binance Holdings Ltd. and **Coinbase, Inc., and other- their** **respective** affiliated entities in federal district court for the District of Columbia, alleging **relating to**, among other claims related to the operation of the affiliates and their platforms, that **each party was operating**: (i) the Binance entities commingled and diverted customer assets; (ii) various affiliates of Binance Holdings Ltd. operated as exchanges, brokers, dealers and **an** clearing agencies without registration under the Exchange Act; (iii) Binance Holdings Ltd. engaged in the unregistered offer and sale of securities; (iv) affiliates of Binance Holdings Ltd. operated in a manner to evade U. S. federal securities laws, and (v) affiliates of Binance Holdings Ltd. misled customers and investors concerning the existence and adequacy of market surveillance and controls to detect and prevent manipulative trading.
- On June 6, 2023, the SEC filed a complaint against Coinbase, Inc. and other affiliated entities in federal district court in the Southern District of New York, alleging, among other claims: (i) that Coinbase, Inc. violated the Exchange Act by failing to register with the SEC as a national securities exchange, broker **;**, dealer, and clearing agency **;**, in connection with activities involving certain identified digital assets that the SEC's complaint alleges are securities, (ii) that Coinbase, Inc. violated the Securities Act by failing to register with the SEC the offer and sale of securities in connection with its staking program, and (iii) that Coinbase Global Inc. is jointly and severally liable as a control person under the Exchange Act for Coinbase Inc.'s violations of the Exchange Act to the same extent as Coinbase Inc.

In the United Kingdom, on June 29, 2023, the Financial Services and Markets Act 2023 ("FSMA 2023") became law. FSMA 2023 (i) clarifies that "cryptoassets" are subject to the regulated activities and financial promotion orders and (ii) establishes that digital assets firms, including exchanges and custodians, operating in or providing services to the United Kingdom carrying out certain activities involving "cryptoassets" are performing a regulated activity that needs to be authorized by the Financial Conduct Authority and may also be subject to oversight from the Bank of England. Several

additional pieces of proposed legislation in the United Kingdom, including The Public Offers and Admissions to Trading Regulations 2023, may subject “cryptoassets” to further regulation. FSMA 2023 gave the UK Treasury powers to create financial market infrastructure sandboxes. The legislative framework for the UK’s Digital Securities Sandbox will take effect in January 2024. • On November 20, 2023, the SEC filed a complaint against Payward Inc. and Payward Ventures Inc., together known as Kraken, alleging, among other claims, that Kraken’s crypto trading platform was operating as an unregistered securities exchange, broker, dealer, and clearing agency. • The SEC’s complaint also alleges that Kraken’s business practices, deficient internal controls, and poor recordkeeping practices present a range of risks for its customers. • On in June 2023, the United Kingdom adopted and implemented the Financial Services and Markets Act 2023 (“FSMA 2023”), which regulates market activities in “cryptoassets;” • in November 21, 2023, Binance Holdings Ltd. and its then chief executive officer reached a settlement with the U. S. Department of Justice, CFTC, the U. S. Department of Treasury’s Office of Foreign Asset Control, and the Financial Crimes Enforcement Network to resolve a multi- year investigation by the agencies and a civil suit brought by the CFTC, pursuant to which Binance Holdings Ltd. agreed to, among other things, pay \$ 4. 3 billion in penalties across the four agencies and to discontinue its operations in the United States. • Binance Holdings Ltd. also acknowledged that it willfully operated an and unlicensed money transmitting business, pleaded guilty to criminal charges of not having adequate anti- money laundering protocols in place and committed violations of the International Emergency Economic Powers Act, and its then chief executive officer pleaded guilty to failing to maintain an effective anti- money laundering program and resigned as chief executive officer of Binance. This settlement does not include any settlement of the SEC’s complaint against Binance referenced above. • In in China, the People’s Bank of China and the National Development and Reform Commission have outlawed cryptocurrency mining and declared all cryptocurrency transactions illegal within the country. It is not possible to predict whether, or when, new laws any of these developments will lead to Congress granting be enacted that change the legal framework governing digital assets or provide additional authorities to the SEC or other regulators, or whether, or when, any other federal, state or foreign legislative bodies will take any similar actions. It is also not possible to predict the nature of any such additional laws or authorities, how additional legislation or regulatory oversight might impact the ability of digital asset markets to function or, the willingness of financial and other institutions to continue to provide services to the digital assets industry, nor or how any new laws or regulations, or changes to existing laws or regulations, might impact the value of digital assets generally and bitcoin specifically. The consequences of increased any new law or regulation of relating to digital assets and digital asset activities could adversely affect the market price of bitcoin, as well as our ability to hold or transact in bitcoin, and in turn adversely affect the market price of our listed securities class A common stock. Moreover, the risks of engaging in a bitcoin acquisition strategy are relatively novel and have created, and could continue to create, complications due to the lack of experience that third parties have with companies engaging in such a strategy, such as increased costs of director and officer liability insurance or the potential inability to obtain such coverage on acceptable terms in the future. The growth of the digital assets industry in general, and the use and acceptance of bitcoin in particular, may also impact the price of bitcoin and is subject to a high degree of uncertainty. The pace of worldwide growth in the adoption and use of bitcoin may depend, for instance, on public familiarity with digital assets, ease of buying, accessing or gaining exposure to bitcoin, institutional demand for bitcoin as an investment asset, the participation of traditional financial institutions in the digital assets industry, consumer demand for bitcoin as a store of value or means of payment, and the availability and popularity of alternatives to bitcoin. Even if growth in bitcoin adoption occurs in the near or medium- term, there is no assurance that bitcoin usage will continue to grow over the long- term. Because bitcoin has no physical existence beyond the record of transactions on the Bitcoin blockchain, a variety of technical factors related to the Bitcoin blockchain could also impact the price of bitcoin. For example, malicious attacks by miners, inadequate mining fees to incentivize validating of bitcoin transactions, hard “ forks ” of the Bitcoin blockchain into multiple blockchains, and advances in digital computing, algebraic geometry, and quantum computing could undercut the integrity of the Bitcoin blockchain and negatively affect the price of bitcoin. The liquidity of bitcoin may also be reduced and damage to the public perception of bitcoin may occur, if financial institutions were to deny or limit banking services to businesses that hold bitcoin, provide bitcoin- related services or accept bitcoin as payment, which could also decrease the price of bitcoin. Recent actions Actions by U. S. banking regulators have reduced, such as the issuance in February 2023 by Federal ability of bitcoin- related services provides to access to banking agencies services, including (i) the issuance of the February 23, 2023 “ Interagency Liquidity Risk Statement, ” which cautioned by the Federal banking agencies cautioning banks on contagion risks posed by providing services to digital assets customers, (ii) the Federal Reserve Board’s denial of Custodia Bank’s application of a Federal Reserve account, and (iii) similar actions, have in the inclusion of crypto past resulted in or contributed to reductions in access to banking services for bitcoin - related customers and service providers divestiture conditions in recent merger transaction approvals. Additionally, or in August 2023, the willingness Federal Reserve established a Novel Activities Supervision Program to enhance the supervision of traditional financial institution to participate in markets for digital assets novel activities conducted by banking organizations supervised by the Federal Reserve. The program will focus on novel activities related to crypto- assets, distributed ledger technology, and complex, technology- driven partnerships with nonbanks to deliver financial services to customers. Liquidity liquidity of bitcoin may also be impacted to the extent that changes in applicable laws and regulatory requirements negatively impact the ability of exchanges and trading venues to provide services for bitcoin and other digital assets. Our historical financial statements do not fully reflect the potential variability in earnings that we may experience in the future from holding or selling significant amounts of bitcoin. The price of bitcoin has historically been subject to dramatic price fluctuations and is highly volatile. In December 2023, As explained more fully in Note 2 (g) to the FASB issued ASU 2023 Consolidated Financial Statements included in this Annual Report on Form 10- 08 K for the year ended December 31, which 2023, we adopted as of January 1, 2025. We determine the fair value of our bitcoin based on quoted (unadjusted) prices on the Coinbase exchange (our principal market for bitcoin). We Prior to our adoption of ASU 2023- 08 on January 1, 2025, we perform performed an analysis each quarter to

identify whether events or changes in circumstances, principally decreases in the quoted (unadjusted) prices on the active exchange, ~~indicate~~ **indicated** that it ~~is~~ **was** more likely than not that any of our bitcoin assets ~~are~~ **were** impaired. In determining if an impairment ~~has had~~ occurred, we ~~consider~~ **considered** the lowest price of one bitcoin quoted on the active exchange at any time since acquiring the specific bitcoin held. If the carrying value of a bitcoin ~~exceeds~~ **exceeded** that lowest price at any time during the quarter, an impairment loss ~~is~~ **was** deemed to have occurred with respect to that bitcoin in the amount equal to the difference between its carrying value and such lowest price, and subsequent increases in the price of bitcoin ~~will~~ **did** not affect the carrying value of our bitcoin. Gains (if any) ~~are~~ **were** not recorded until realized upon sale, at which point they would be presented net of any impairment losses. In determining the gain to be recognized upon sale, we ~~calculate~~ **calculated** the difference between the sale price and carrying value of the specific bitcoin sold immediately prior to sale. **Due As a result, any decrease in part to the volatility fair value of bitcoin below, we incurred \$ 4. 059 billion of cumulative impairment on our carrying value bitcoin holdings through December 31, 2024, which losses were reflected in the financial statements** for such assets at any time since their ~~acquisition~~ **the respective acquisition requires us to incur an impairment charge, and such charge could be material to our financial results for the applicable reporting period periods, in** which may create significant volatility in our reported earnings and decrease the carrying value of our digital assets, which in turn could have a material adverse effect on the market price of our class A common stock. Conversely, any sale of bitcoins at prices above our carrying value for such assets creates a gain for financial reporting purposes even if we would otherwise incur an economic or tax loss **losses were incurred** with respect to such transaction, which also may result in significant volatility in our reported earnings. In December 2023, the FASB issued ASU 2023- 08, which upon our adoption will require **requires** us to measure our bitcoin holdings at fair value in our statement of financial position, and to recognize gains and losses from changes in the fair value of our bitcoin in net income each reporting period. ASU 2023- 08 ~~will~~ **require requires** us to provide certain interim and annual disclosures with respect to our bitcoin holdings. **We have applied** The standard is effective for our interim and annual periods beginning January 1, 2025, with a cumulative- effect adjustment to the opening balance of retained earnings as of **January 1** the beginning of the annual reporting period in which we adopt the guidance. Early adoption is permitted in any interim or annual period for which our financial statements have not been issued as of the beginning of the annual reporting period. **Due in particular to the volatility in the price of bitcoin, 2025 we expect the adoption of \$ 12. 745 billion. ASU 2023- 08 does not permit retrospective restatement of prior periods. Accordingly, we expect the adoption of ASU 2023- 08 to significantly affect the carrying value of our bitcoin on our balance sheet. As a result of our adoption of ASU 2023- 08, we may incur greater losses during periods when we previously would have incurred smaller losses or no losses because we had already impaired the carrying value of our bitcoin to a low price observed during a prior period, and we may also incur gains during periods when the market value of bitcoin rises, as compared to periods prior to January 1, 2025, when we would not have incurred any gains under similar circumstances. Accordingly, due in particular to the volatility in the price of bitcoin, we expect the adoption of ASU 2023- 08 to increase the volatility of our financial results and significantly affect the carrying value of our bitcoin on our balance sheet.** Additionally, as a result of ASU 2023- 08 requiring a cumulative- effect adjustment to our opening balance of retained earnings as of **January 1, 2025** the beginning of the annual period in which we ~~adopt the guidance~~ and not permitting retrospective restatement of prior ~~period periods~~, our future results will not be comparable to results from periods prior to our adoption of the guidance. ~~At December 31, 2023, we carried \$ 3. 626 billion of digital assets on our balance sheet, consisting of approximately 189, 150 bitcoins and reflecting \$ 2. 269 billion in cumulative impairment losses attributable to bitcoin trading price fluctuations, and held \$ 46. 8 million in cash and cash equivalents; compared to a carrying value of \$ 1. 840 billion of digital assets, consisting of approximately 132, 500 bitcoins, and \$ 43. 8 million in cash and cash equivalents at December 31, 2022. Digital asset impairment losses, net of gains on sale, of \$ 1. 286 billion incurred during the year ended December 31, 2022 represented 76. 9% of our operating expenses for such year, contributing to our net loss of \$ 1. 470 billion for the year ended December 31, 2022. Because we intend to purchase additional bitcoin in future periods and increase our overall holdings of bitcoin, we expect that the proportion of our total assets represented by our bitcoin holdings will increase in the future. As a result, and in particular **due with respect to our adoption of the quarterly periods and full fiscal year with respect to which ASU 2023- 08 will apply, and for all future periods,** volatility in our earnings may be significantly more than what we experienced in prior periods. The availability of spot ~~bitcoin ETPs~~ **for bitcoin and other digital assets** may adversely affect the market price of our ~~listed securities~~ **class A common stock**. Although bitcoin and other digital assets have experienced a surge of investor attention since bitcoin was invented in 2008, until recently investors in the United States had limited means to gain direct exposure to bitcoin through traditional investment channels, and instead generally were only able to hold bitcoin through “ hosted ” wallets provided by digital asset service providers or through “ unhosted ” wallets that expose the investor to risks associated with loss or hacking of their private keys. Given the relative novelty of digital assets, general lack of familiarity with the processes needed to hold bitcoin directly, as well as the potential reluctance of financial planners and advisers to recommend direct bitcoin holdings to their retail customers because of the manner in which such holdings are custodied, some investors have sought exposure to bitcoin through investment vehicles that hold bitcoin and issue shares representing fractional undivided interests in their underlying bitcoin holdings. These vehicles, which were previously offered only to “ accredited investors ” on a private placement basis, have in the past traded at substantial premiums to net asset value (“ NAV ”), possibly due to the relative scarcity of traditional investment vehicles providing investment exposure to bitcoin. On January 10, 2024, the SEC approved the listing and trading of spot bitcoin ETPs, the shares of which can be sold in public offerings and are traded on U. S. national securities exchanges. The approved ETPs commenced trading directly to the public on January 11, 2024, with a trading volume of \$ 4. 6 billion on the first trading day. On January 11, 2024, and in the subsequent days following the SEC’ s approval of the listing and trading of spot bitcoin ETPs, the trading price of our shares of class A common stock declined significantly relative to the value of our bitcoin. To the extent investors view our class A common stock as providing exposure to bitcoin, it is possible that the value of our class A common stock may also~~

have included a premium over the value of our bitcoin due to the prior scarcity of traditional investment vehicles providing investment exposure to bitcoin, and that the value declined due to investors now having a greater range of options to gain exposure to bitcoin and investors choosing to gain such exposure through ETPs rather than our class A common stock.

Additionally, on May 23, 2024, the SEC approved rule changes permitting the listing and trading of spot ETPs that invest in ether, the main crypto asset supporting the Ethereum blockchain. The approved spot ETPs commenced trading directly to the public on July 23, 2024. The listing and trading of spot ETPs for ether offers investors another alternative to gain exposure to digital assets, which could result in a decline in the trading price of bitcoin as well as a decline in the value of our class A common stock relative to the value of our bitcoin, as well as our series A perpetual strike preferred stock.

Although we are an operating company, and we believe we offer a different value proposition than a ~~passive~~ bitcoin investment vehicle such as a spot bitcoin ETP, investors may nevertheless view our class A common stock as an alternative to an investment in an ETP, and choose to purchase shares of a spot bitcoin ETP instead of our class A common stock. They may do so for a variety of reasons, including if they believe that ETPs offer a “pure play” exposure to bitcoin that is generally not subject to federal income tax at the entity level as we are, or the other risk factors applicable to an operating business, such as ours. Additionally, unlike spot bitcoin ETPs, we (i) do not seek for our shares of Class A common stock to track the value of the underlying bitcoin we hold before payment of expenses and liabilities, (ii) do not benefit from various exemptions and relief under the Securities Exchange Act of 1934, as amended, including Regulation M, and other securities laws, which enable ~~spot bitcoin~~ ETPs to continuously align the value of their shares to the price of the underlying ~~bitcoin assets~~ they hold through share creation and redemption, (iii) are a Delaware corporation rather than a statutory trust, and do not operate pursuant to a trust agreement that would require us to pursue one or more stated investment objectives, and (iv) are not required to provide daily transparency as to our bitcoin holdings or our daily ~~NAV-net asset value~~. Furthermore, recommendations by broker-dealers to buy, hold, or sell complex products and non-traditional ETPs, or an investment strategy involving such products, may be subject to additional or heightened scrutiny that would not be applicable to broker-dealers making recommendations with respect to our class A common stock. Based on how we are viewed in the market relative to ETPs, and other vehicles which offer economic exposure to bitcoin, such as bitcoin futures ~~exchange-traded funds (“ETFs and”), leveraged bitcoin futures ETFs, and similar vehicles offered on international exchanges~~, any premium or discount in our class A common stock relative to the value of our bitcoin holdings may increase or decrease in different market conditions. As a result of the foregoing factors, availability of spot ~~bitcoin~~ ETPs ~~for bitcoin and other digital assets on U. S. national securities exchanges~~ could have a material adverse effect on the market price of our ~~listed securities~~ class A common stock. Our ~~acquisition~~ strategy subjects us to enhanced regulatory oversight. As noted above, several spot bitcoin ETPs have received approval from the SEC to list their shares on a U. S. national securities exchange with continuous share creation and redemption at ~~NAV-net asset value~~. Even though we are not, and do not function in the manner of, a spot bitcoin ETP, it is possible that we nevertheless could face regulatory scrutiny from the SEC or other federal or state agencies due to our bitcoin holdings. In addition, there has been increasing focus on the extent to which digital assets can be used to launder the proceeds of illegal activities, fund criminal or terrorist activities, or circumvent sanctions regimes, including those sanctions imposed in response to the ongoing conflict between Russia and Ukraine. While we have implemented and maintain policies and procedures reasonably designed to promote compliance with applicable anti-money laundering and sanctions laws and regulations and take care to only acquire our bitcoin through entities subject to anti-money laundering regulation and related compliance rules in the United States, if we are found to have purchased any of our bitcoin from bad actors that have used bitcoin to launder money or persons subject to sanctions, we may be subject to regulatory proceedings and any further transactions or dealings in bitcoin by us may be restricted or prohibited. **Although our** As of February 14, 2024, approximately 16,931 bitcoins ~~bitcoin holdings do not currently~~ serve as ~~part of the collateral securing any of our outstanding indebtedness as of December 31, 2028-2024~~, ~~Secured Notes and~~ we may **incur indebtedness** consider issuing additional debt or **enter into** other financial instruments **in the future** that may be collateralized by our bitcoin holdings. We may also consider pursuing strategies to create income streams or otherwise generate funds using our bitcoin holdings. These types of bitcoin-related transactions are the subject of enhanced regulatory oversight. These and any other bitcoin-related transactions we may enter into, beyond simply acquiring and holding bitcoin, may subject us to additional regulatory compliance requirements and scrutiny, including under federal and state money services regulations, money transmitter licensing requirements and various commodity and securities laws and regulations. Additional laws, guidance and policies may be issued by domestic and foreign regulators following the filing for Chapter 11 bankruptcy protection by FTX, one of the world’s largest cryptocurrency exchanges, in November 2022. While the financial and regulatory fallout from FTX’s collapse did not directly impact our business, financial condition or corporate assets, the FTX collapse may have increased regulatory focus on the digital assets industry. **For example, the SEC has recently proposed a number of rules with implications for digital assets. Notably, on April 14, 2023, the SEC reopened the comment period for its proposal to significantly expand the definition of “exchange” under Exchange Act Rule 3b-16 to encompass trading and communication protocol systems for digital asset securities and trading systems that use distributed ledger or blockchain technology, including both so-called “centralized” and “decentralized” trading systems. If adopted in its proposed form, the proposed rule would have a sweeping impact on digital asset trading venues and other digital asset industry participants. U. S. and foreign regulators have also increased, and are highly likely to continue to increase, enforcement activity, and are likely to adopt new regulatory requirements in response to FTX’s collapse. Increased enforcement activity and changes in the regulatory environment, including changing interpretations and the implementation of new or varying regulatory requirements by the government or any new legislation affecting bitcoin, as well as enforcement actions involving or impacting our trading venues, counterparties and custodians, may impose significant costs or significantly limit our ability to hold and transact in bitcoin. In addition, private actors that are wary of bitcoin or the regulatory concerns associated with bitcoin have in the past taken and may in the future take further actions that may have an adverse effect on our business or the market price of our** **listed securities** class A common

~~stock~~. For example, an affiliate of HSBC Holdings has prohibited customers of its HSBC InvestDirect retail investment platform from buying shares of our class A common stock after determining that the value of our stock is related to the performance of bitcoin, indicating that it did not want to facilitate exposure to virtual currencies. Due to the unregulated nature and lack of transparency surrounding the operations of many bitcoin trading venues, bitcoin trading venues may experience greater fraud, security failures or regulatory or operational problems than trading venues for more established asset classes, which may result in a loss of confidence in bitcoin trading venues and adversely affect the value of our bitcoin. Bitcoin trading venues are relatively new and, in many cases, unregulated. Furthermore, there are many bitcoin trading venues which do not provide the public with significant information regarding their ownership structure, management teams, corporate practices and regulatory compliance. As a result, the marketplace may lose confidence in bitcoin trading venues, including prominent exchanges that handle a significant volume of bitcoin trading and / or are subject to regulatory oversight, in the event one or more bitcoin trading venues cease or pause for a prolonged period the trading of bitcoin or other digital assets, or experience fraud, significant volumes of withdrawal, security failures or operational problems. In 2019 there were reports claiming that 80-95 % of bitcoin trading volume on trading venues was false or non- economic in nature, with specific focus on unregulated exchanges located outside of the United States. The SEC also alleged as part of its June 5, 2023 ~~complaint~~ **that against** Binance Holdings Ltd. **that Binance** committed strategic and targeted “ wash trading ” through its affiliates to artificially inflate the volume of certain digital assets traded on its exchange. **The SEC has also brought recent actions against individuals and digital asset market participants alleging that such persons artificially increased trading volumes in certain digital assets through wash trades, or repeated buying and selling of the same assets in fictitious transactions to manipulate their underlying trading price.** Such reports and allegations may indicate that the bitcoin market is significantly smaller than expected and that the United States makes up a significantly larger percentage of the bitcoin market than is commonly understood. Any actual or perceived ~~false-wash~~ trading in the bitcoin market, and any other fraudulent or manipulative acts and practices, could adversely affect the value of our bitcoin. Negative perception, a lack of stability in the broader bitcoin markets and the closure, temporary shutdown or operational disruption of bitcoin trading venues, lending institutions, institutional investors, institutional miners, custodians, or other major participants in the bitcoin ecosystem, due to fraud, business failure, cybersecurity events, government- mandated regulation, bankruptcy, or for any other reason, may result in a decline in confidence in bitcoin and the broader bitcoin ecosystem and greater volatility in the price of bitcoin. For example, in 2022, each of Celsius Network, Voyager Digital, Three Arrows Capital, FTX, and BlockFi filed for bankruptcy, following which the market prices of bitcoin and other digital assets significantly declined. In addition, in June 2023, the SEC announced enforcement actions against Coinbase, Inc., and Binance Holdings Ltd., two providers of large trading venues for digital assets, which similarly was followed by a decrease in the market price of bitcoin and other digital assets. These were followed in November 2023, by an SEC enforcement action against Payward Inc. and Payward Ventures Inc., together known as Kraken, another large trading venue for digital assets. As the price of our ~~listed securities~~ **class A common stock** is affected by the value of our bitcoin holdings, the failure of a major participant in the bitcoin ecosystem could have a material adverse effect on the market price of our ~~listed securities~~ **class A common stock**. The concentration of our bitcoin holdings enhances the risks inherent in our bitcoin ~~acquisition~~ **strategy**. As of February 14, ~~2024~~ **2025**, we held approximately ~~190-478,000-740~~ **190-478,000-740** bitcoins that were acquired at an aggregate purchase price of \$ ~~5-31.933-134~~ **5-31.933-134** billion and we intend to purchase additional bitcoin and increase our overall holdings of bitcoin in the future. The concentration of our bitcoin holdings limits the risk mitigation that we could ~~take advantage of by~~ **achieve if we were to purchasing purchase** a more diversified portfolio of treasury assets, and the absence of diversification enhances the risks inherent in our ~~acquisition~~ **strategy**. The price of bitcoin experienced a significant decline in 2022, and this had, and any future significant declines in the price of bitcoin would have, a more pronounced impact on our financial condition than if we used our cash to purchase a more diverse portfolio of assets. The emergence or growth of other digital assets, including those with significant private or public sector backing, could have a negative impact on the price of bitcoin and adversely affect our business. As a result of our ~~acquisition~~ **strategy**, the majority of our assets are concentrated in our bitcoin holdings. Accordingly, the emergence or growth of digital assets other than bitcoin may have a material adverse effect on our financial condition. As of December 31, ~~2023~~ **2024**, bitcoin was the largest digital asset by market capitalization. However, there are numerous alternative digital assets and many entities, including consortiums and financial institutions, are researching and investing resources into private or permissioned blockchain platforms or digital assets that do not use proof- of- work mining like the Bitcoin network. For example, in late 2022, the Ethereum network transitioned to a “ proof- of- stake ” mechanism for validating transactions that requires significantly less computing power than proof- of- work mining. The Ethereum network has completed another major upgrade since then and may undertake additional upgrades in the future. If the mechanisms for validating transactions in Ethereum and other alternative digital assets are perceived as superior to proof- of- work mining, those digital assets could gain market share relative to bitcoin. Other alternative digital assets that compete with bitcoin in certain ways include “ stablecoins, ” which are designed to maintain a constant price because of, for instance, their issuers’ promise to hold high- quality liquid assets (such as U. S. dollar deposits and short- term U. S. treasury securities) equal to the total value of stablecoins in circulation. Stablecoins have grown rapidly as an alternative to bitcoin and other digital assets as a medium of exchange and store of value, particularly on digital asset trading platforms. As of December 31, ~~2023~~ **2024**, two of the ~~seven-eight~~ **seven-eight** largest digital assets by market capitalization ~~are were~~ **are were** U. S. dollar- ~~backed-pegged~~ **backed-pegged** stablecoins. Additionally, central banks in some countries have started to introduce digital forms of legal tender. For example, China’ s CBDC project was made available to consumers in January 2022, and governments including the United States, the **United Kingdom, the** European Union, and Israel have been discussing the potential creation of new CBDCs. Whether or not they incorporate blockchain or similar technology, CBDCs, as legal tender in the issuing jurisdiction, could also compete with, or replace, bitcoin and other digital assets as a medium of exchange or store of value. As a result, the emergence or growth of these or other digital assets could cause the market price of bitcoin to decrease, which could have a material adverse effect on

our business, prospects, financial condition, and operating results. Our bitcoin holdings are less liquid than our existing cash and cash equivalents and may not be able to serve as a source of liquidity for us to the same extent as cash and cash equivalents. ~~In September 2020, we adopted bitcoin as our primary treasury reserve asset.~~ Historically, the bitcoin ~~markets~~ **market have has** been characterized by significant volatility in price, limited liquidity and trading volumes compared to sovereign currencies markets, relative anonymity, a developing regulatory landscape, potential susceptibility to market abuse and manipulation, compliance and internal control failures at exchanges, and various other risks inherent in its entirely electronic, virtual form and decentralized network. During times of market instability, we may not be able to sell our bitcoin at favorable prices or at all. For example, a number of bitcoin trading venues temporarily halted deposits and withdrawals in 2022, although the Coinbase exchange (our principal market for bitcoin) has, to date, not done so. As a result, our bitcoin holdings may not be able to serve as a source of liquidity for us to the same extent as cash and cash equivalents. Further, bitcoin we hold with our custodians and transact with our trade execution partners does not enjoy the same protections as are available to cash or securities deposited with or transacted by institutions subject to regulation by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation. Additionally, we may be unable to enter into term loans or other capital raising transactions collateralized by our unencumbered bitcoin or otherwise generate funds using our bitcoin holdings, including in particular during times of market instability or when the price of bitcoin has declined significantly. If we are unable to sell our bitcoin, enter into additional **capital raising transactions, including** capital raising transactions using bitcoin as collateral, or otherwise generate funds using our bitcoin holdings, or if we are forced to sell our bitcoin at a significant loss, in order to meet our working capital requirements, our business and financial condition could be negatively impacted. If we or our third- party service providers experience a security breach or cyberattack and unauthorized parties obtain access to our bitcoin, or if our private keys are lost or destroyed, or other similar circumstances or events occur, we may lose some or all of our bitcoin and our financial condition and results of operations could be materially adversely affected. Substantially all of the bitcoin we own is held in custody accounts at institutional- grade digital asset custodians. Security breaches and cyberattacks are of particular concern with respect to our bitcoin. Bitcoin and other blockchain- based cryptocurrencies and the entities that provide services to participants in the bitcoin ecosystem have been, and may in the future be, subject to security breaches, cyberattacks, or other malicious activities. For example, in October 2021 it was reported that hackers exploited a flaw in the account recovery process and stole from the accounts of at least 6, 000 customers of the Coinbase exchange (our principal market for bitcoin), although the flaw was subsequently fixed and Coinbase reimbursed affected customers. Similarly, in November 2022, hackers exploited weaknesses in the security architecture of the FTX Trading digital asset exchange and reportedly stole over \$ 400 million in digital assets from customers. A successful security breach or cyberattack could result in: • a partial or total loss of our bitcoin in a manner that may not be covered by insurance or the liability provisions of the custody agreements with the custodians who hold our bitcoin; • harm to our reputation and brand; • improper disclosure of data and violations of applicable data privacy and other laws; or • significant regulatory scrutiny, investigations, fines, penalties, and other legal, regulatory, contractual and financial exposure. Further, any actual or perceived data security breach or cybersecurity attack directed at other companies with digital assets or companies that operate digital asset networks, regardless of whether we are directly impacted, could lead to a general loss of confidence in the broader Bitcoin blockchain ecosystem or in the use of the Bitcoin network to conduct financial transactions, which could negatively impact us. Attacks upon systems across a variety of industries, including industries related to bitcoin, are increasing in frequency, persistence, and sophistication, and, in many cases, are being conducted by sophisticated, well- funded and organized groups and individuals, including state actors. The techniques used to obtain unauthorized, improper or illegal access to systems and information (including personal data and digital assets), disable or degrade services, or sabotage systems are constantly evolving, may be difficult to detect quickly, and often are not recognized or detected until after they have been launched against a target. These attacks may occur on our systems or those of our third- party service providers or partners. We may experience breaches of our security measures due to human error, malfeasance, insider threats, system errors or vulnerabilities or other irregularities. In particular, unauthorized parties have attempted, and we expect that they will continue to attempt, to gain access to our systems and facilities, as well as those of our partners and third- party service providers, through various means, such as hacking, social engineering, phishing and fraud. In the past, hackers have successfully employed a social engineering attack against one of our service providers and misappropriated our digital assets, although, to date, such events have not been material to our financial condition or operating results. Threats can come from a variety of sources, including criminal hackers, hacktivists, state- sponsored intrusions, industrial espionage, and insiders. In addition, certain types of attacks could harm us even if our systems are left undisturbed. For example, certain threats are designed to remain dormant or undetectable, sometimes for extended periods of time, or until launched against a target and we may not be able to implement adequate preventative measures. Further, there has been an increase in such activities due to the increase in work- from- home arrangements since the onset of the COVID- 19 pandemic. The risk of cyberattacks could also be increased by cyberwarfare in connection with the ongoing Russia- Ukraine and Israel- Hamas conflicts, or other future conflicts, including potential proliferation of malware into systems unrelated to such conflicts. Any future breach of our operations or those of others in the bitcoin industry, including third- party services on which we rely, could materially and adversely affect our business. We face risks relating to the custody of our bitcoin, including the loss or destruction of private keys required to access our bitcoin and cyberattacks or other data loss relating to our bitcoin. We hold our bitcoin with regulated custodians that have duties to safeguard our private keys. Our custodial services contracts do not restrict our ability to reallocate our bitcoin among our custodians, and our bitcoin holdings may be concentrated with a single custodian from time to time. In light of the significant amount of bitcoin we hold, we continually seek to engage additional custodians to achieve a greater degree of diversification in the custody of our bitcoin as the extent of potential risk of loss is dependent, in part, on the degree of diversification. If there is a decrease in the availability of digital asset custodians that we believe can safely custody our bitcoin, for example, due to regulatory developments or enforcement actions that cause custodians to discontinue or limit their services in the United States, we may

need to enter into agreements that are less favorable than our current agreements or take other measures to custody our bitcoin, and our ability to seek a greater degree of diversification in the use of custodial services would be materially adversely affected. As of December 31, 2023-2024, the insurance that covers losses of our bitcoin holdings covers only a small fraction of the value of the entirety of our bitcoin holdings, and there can be no guarantee that such insurance will be maintained as part of the custodial services we have or that such coverage will cover losses with respect to our bitcoin. Moreover, our use of custodians exposes us to the risk that the bitcoin our custodians hold on our behalf could be subject to insolvency proceedings and we could be treated as a general unsecured creditor of the custodian, inhibiting our ability to exercise ownership rights with respect to such bitcoin. Any loss associated with such insolvency proceedings is unlikely to be covered by any insurance coverage we maintain related to our bitcoin. Bitcoin is controllable only by the possessor of both the unique public key and private key (s) relating to the local or online digital wallet in which the bitcoin is held. While the Bitcoin blockchain ledger requires a public key relating to a digital wallet to be published when used in a transaction, private keys must be safeguarded and kept private in order to prevent a third party from accessing the bitcoin held in such wallet. To the extent the private key (s) for a digital wallet are lost, destroyed, or otherwise compromised and no backup of the private key (s) is accessible, neither we nor our custodians will be able to access the bitcoin held in the related digital wallet. Furthermore, we cannot provide assurance that our digital wallets, nor the digital wallets of our custodians held on our behalf, will not be compromised as a result of a cyberattack. The bitcoin and blockchain ledger, as well as other digital assets and blockchain technologies, have been, and may in the future be, subject to security breaches, cyberattacks, or other malicious activities. Regulatory change reclassifying bitcoin as a security could lead to our classification as an “ investment company ” under the Investment Company Act of 1940 and could adversely affect the market price of bitcoin and the market price of our ~~class A common stock~~ **listed securities**. **Our assets are concentrated in our bitcoin holdings.** While senior SEC officials have stated their view that bitcoin is not a “ security ” for purposes of the federal securities laws, a contrary determination by the SEC could lead to our classification as an “ investment company ” under the Investment Company Act of 1940, which would subject us to significant additional regulatory controls that could have a material adverse effect on our **ability to execute on our bitcoin strategy, and our** business and operations and may also require us to substantially change the manner in which we conduct our business. In addition, if bitcoin is determined to constitute a security for purposes of the federal securities laws, the additional regulatory restrictions imposed by such a determination could adversely affect the market price of bitcoin and in turn adversely affect the market price of our **listed securities** ~~class A common stock~~. **A significant decrease in the market value of** **We are not subject to legal and regulatory obligations that apply to investment companies such as mutual funds and exchange- traded funds, our- or bitcoin holdings could adversely affect to obligations applicable to investment advisers Mutual funds, ETFs and their directors and management are subject to extensive regulation as “ investment companies ” and “ investment advisers ” under U. S. federal and state law; this regulation is intended for the benefit and protection of investors. We are not subject to, and do not otherwise voluntarily comply with, these laws and regulations. This means, among other things, that the execution of our- or ability changes to service our indebtedness As a result of our bitcoin acquisition strategy and our Treasury Reserve Policy, the majority of our- or assets our bitcoin strategy, our use of leverage, the manner in which our bitcoin is custodied, our ability to engage in transactions with affiliated parties and our operating and investment activities generally are not subject concentrated in our bitcoin holdings. The concentration of our assets in bitcoin limits our ability to mitigate risk the extensive legal and regulatory requirements and prohibitions that apply to investment companies and investment advisers could otherwise be achieved by purchasing a more diversified portfolio of treasury assets. Accordingly For example, although a significant change to decline in the market value of bitcoin could have a material adverse effect on our Treasury Reserve Policy financial condition. Any material adverse effect on our financial condition caused by a significant decline in the market value of our bitcoin holdings may create liquidity and credit risks for our business operations, as we would require have limited means to obtain cash beyond the revenues generated by approval of our board of directors, no shareholder our- or regulatory approval enterprise analytics software business. To the extent that the cash generated by our enterprise analytics software business is insufficient to satisfy our debt service obligations, and to the extent that the liquidation of our bitcoin holdings would be insufficient to satisfy necessary. Consequently, our board of directors has broad discretion over the investment, leverage and cash management policies it authorizes, whether in respect of our bitcoin holdings our - or other activities debt service obligations, we may be unable pursue, and has the power to change make scheduled payments on our current policies, including or our strategy of acquiring and holding bitcoin future indebtedness, which could cause us to default on our debt obligations. Any default on our current or future indebtedness may have a material adverse effect on our financial condition. See “ Risks Related to Our Outstanding and Potential Future Indebtedness ” for additional details about the risks which may impact us if we are unable to service our indebtedness. Our bitcoin acquisition strategy exposes us to risk of non- performance by counterparties Our bitcoin acquisition strategy exposes us to the risk of non- performance by counterparties, whether contractual or otherwise. Risk of non- performance includes inability or refusal of a counterparty to perform because of a deterioration in the counterparty’ s financial condition and liquidity or for any other reason. For example, our execution partners, custodians, or other counterparties might fail to perform in accordance with the terms of our agreements with them, which could result in a loss of bitcoin, a loss of the opportunity to generate funds, or other losses. Our primary counterparty risk with respect to our bitcoin is custodian performance obligations under the various custody arrangements we have entered into. A series of recent high- profile bankruptcies, closures, liquidations, regulatory enforcement actions and other events relating to companies operating in the digital asset industry, including the filings for bankruptcy protection by Three Arrows Capital, Celsius Network, Voyager Digital, FTX Trading and Genesis Global Capital, the closure or liquidation of certain financial institutions that provided lending and other services to the digital assets industry, including Signature Bank and Silvergate Bank, SEC enforcement actions against Coinbase, Inc., Binance Holdings Ltd., and Kraken, the placement of Prime Trust, LLC into receivership following a cease- and- desist order issued by Nevada’ s Department of**

Business and Industry, and the filing and subsequent settlement of a civil fraud lawsuit by the New York Attorney General against Genesis Global Capital, its parent company Digital Currency Group, Inc., and former partner Gemini Trust Company have highlighted the perceived and actual counterparty risk applicable to digital asset ownership and trading. Although these bankruptcies, closures and liquidations have not resulted in any loss or misappropriation of our bitcoin, nor have such events adversely impacted our access to our bitcoin, legal precedent created in these bankruptcy and other proceedings may increase the risk of future rulings adverse to our interests in the event one or more of our custodians becomes a debtor in a bankruptcy case or is the subject of other liquidation, insolvency or similar proceedings. While all of our custodians are subject to regulatory regimes intended to protect customers in the event of a custodial bankruptcy, receivership or similar insolvency proceeding, no assurance can be provided that our custodially-held bitcoin will not become part of the custodian's insolvency estate if one or more of our custodians enters bankruptcy, receivership or similar insolvency proceedings. Additionally, if we pursue any strategies to create income streams or otherwise generate funds using our bitcoin holdings, we would become subject to additional counterparty risks. Any significant non-performance by counterparties, including in particular the custodians with which we custody substantially all of our bitcoin, could have a material adverse effect on our business, prospects, financial condition, and operating results.

Risks Related to Our Enterprise Analytics Software Business Strategy We **derive** depend on revenue from a single software platform and related services as well as revenue from our installed customer base. **Our We derive** revenue **is derived** from sales of our analytics software platform and related services. **Although demand for analytics software has continued to grow, the market for analytics offerings continues to evolve. Resistance from consumer and privacy groups to commercial collection, use, and sharing of personal data has grown in recent years and our customers, potential customers, or the general public may perceive that use of our analytics software could violate individual privacy rights. In addition, increasing government restrictions on the collection, use, and transfer of personal data could impair the further growth of the market for analytics software, especially in foreign markets. Because we depend on revenue from a single software platform and related services, our business could be harmed by a decline in demand for, or in the adoption or prices of, our platform and related services as a result of, among other factors, any change in our pricing or packaging model, increased competition, maturation in the markets for our platform, or other risks described in this Annual Report. In addition, the adoption of our bitcoin acquisition strategy and the increase in our indebtedness has caused and may in the future cause certain of our existing or prospective customers to form negative perceptions regarding our corporate risk profile or our financial viability as a commercial counterparty, and such negative perceptions could negatively impact sales of our analytics software platform and related services to current or prospective customers. Such risks can also be exacerbated if the price of bitcoin declines or due to adverse developments in the digital assets industry including, for example, the high-profile filings for bankruptcy protection by companies operating in that industry, such as the recent bankruptcy filings by Three Arrows Capital, Voyager Digital, BlockFi and FTX Trading, and the SEC enforcement actions against Coinbase, Inc., Binance Holdings Ltd., and Kraken. We also depend on our installed customer base for a substantial portion of our software revenue. If As a result, if our software business experiences a significant decline in demand for, our or existing in the adoption or prices of, our platform and related services as a result of, among other factors, a significant decline in our installed customers- customer cancel base, any change in or our fail to renew pricing or packaging model, increased competition, maturation in their-- the markets service contracts or for fail our platform, or other risks described herein, we may not be able to generate revenue make additional purchases from us for any reason, including due to the other sources risks inherent in excess of the expenses relating to our analytics software platform bitcoin acquisition strategy, our revenue could decrease and related services our operating results could be materially adversely affected.** As our customers increasingly shift from a product license model to a cloud subscription model, we could face higher future rates of attrition, and such a shift could continue to affect the timing of revenue recognition or reduce product licenses and product support revenues, which could materially adversely affect our operating results. We offer our analytics platform in the form of a product license or a cloud subscription. Given that it is relatively easy for customers to migrate on and off our cloud subscription platform, as we continue to shift our customers toward our cloud platform, we could face higher future rates of attrition among our customers. In addition, the payment streams and revenue recognition timing for our product licenses are different from those for our cloud subscriptions. For product licenses, customers typically pay us a lump sum soon after entering into a license agreement, and we typically recognize product licenses revenue when control of the license is transferred to the customer. For cloud subscriptions, customers typically make periodic payments over the subscription period and we recognize subscription services revenues ratably over the subscription period. As a result, as our customers increasingly shift to, or new customers purchase, cloud subscriptions instead of product licenses, the resulting change in payment terms and revenue recognition may result in our recognizing less revenue in the reporting period in which the sale transactions are consummated than has been the case in prior periods, with more revenue being recognized in future periods. This change in the timing of revenue recognition could materially adversely affect our operating results and cash flows for the periods during which such a shift or change in purchasing occurs. Accordingly, in any particular reporting period, cloud subscription sales could negatively impact product license sales to our existing and prospective customers, which could reduce product licenses and product support revenues. Additionally, our ability to accelerate our cloud strategy could be negatively impacted by any inability to provide necessary sales and sales engineering support, including the support of channel partners, our internal sales team, and digital marketing. Finally, if we are not able to successfully grow sales of our cloud subscription platform, we may not be able to achieve the scale necessary to achieve increased operating margins. We use channel partners and if we are unable to maintain successful relationships with them, our business, operating results, and financial condition could be materially adversely affected. In addition to our direct sales force, we use channel partners, such as system integrators, consulting firms, resellers, solution providers, managed service providers, OEMs, and technology companies, to license and support our offerings. For the year ended December 31, 2023, transactions by channel partners for which we recognized revenue accounted for 27.2% of our total product licenses revenues, and our ability to achieve revenue

growth in the future will depend in part on our ability to maintain these relationships. Our channel partners may offer customers the products and services of several different companies, including competing offerings, and we cannot be certain that they will prioritize or devote adequate resources to selling our offerings. If we are unable to maintain our relationships with our channel partners, or if we experience a reduction in sales by our channel partners, our business, operating results, and financial condition could be materially adversely affected. In addition, we rely on our channel partners to operate in accordance with applicable laws and regulatory requirements. If they fail to do so, we may need to incur significant costs in responding to investigations or enforcement actions or paying penalties assessed by the applicable authorities. We also rely on our channel partners to operate in accordance with the terms of their contractual agreements with us. For example, some of our agreements with our channel partners prescribe the terms and conditions pursuant to which they are authorized to resell or distribute our software and offer technical support and related services. If our channel partners do not comply with their contractual obligations to us, our business, operating results, and financial condition may be materially adversely affected. Our recognition of deferred revenue and advance payments is subject to future performance obligations and may not be representative of revenues for succeeding periods. Our deferred revenue and advance payments totaled \$ 236.242.79 million as of December 31, 2023-2024. The timing and ultimate recognition of our deferred revenue and advance payments depend on various factors, including our performance of various service obligations. Because of the possibility of customer changes or delays in customer development or implementation schedules or budgets, and the need for us to satisfactorily perform product support and other services, deferred revenue and advance payments at any particular date may not be representative of actual revenue for any succeeding period. In addition, we had \$ 103.211.09 million of other remaining performance obligations as of December 31, 2023-2024, consisting of the portions of multi-year contracts that will be invoiced in the future that are not reflected on our balance sheet. As with deferred revenue and advance payments, these other remaining performance obligations at any particular date may not be representative of actual revenue for any succeeding period. We may lose sales, or sales may be delayed, due to the long sales and implementation cycles of certain of our offerings, which could materially adversely affect our revenues and operating results. The decision to purchase our offerings typically requires our customers to invest substantial time, money, personnel, and other resources, which can result in long sales cycles that can exceed nine months. These long sales cycles increase the risk that intervening events, such as the introduction of new offerings and changes in customer budgets and purchasing priorities, will affect the size, timing, and completion of an order. Even if an order is completed, the time and resources required to implement and integrate our offerings vary widely depending on customer needs and the complexity of deployment. If we lose sales or sales are delayed due to these long sales and implementation cycles, our revenues and operating results for that period may be materially adversely affected. Our results in any particular period may depend on the number and volume of large transactions in that period and these transactions may involve lengthier, more complex, and more unpredictable sales cycles than other transactions. Larger, enterprise-level transactions often require considerably more resources, are often more complex to implement, and typically require additional management approval, which may result in a lengthier, more complex, and less predictable sales cycle and may increase the risk that an order is delayed or not brought to completion. We may also encounter greater competition and pricing pressure on these larger transactions, and our sales and delivery efforts may be more costly. The presence or absence of one or more large transactions in a particular period may have a material effect on our revenues and operating results for that period and may result in lower estimated revenues and earnings in future periods. For the year ended December 31, 2023, our top three product licenses transactions with recognized revenue totaled \$ 8.9 million, or 11.8% of total product licenses revenues, compared to \$ 13.1 million, or 15.1% of total product licenses revenues, for the year ended December 31, 2022. Our offerings face intense competition, which may lead to lower prices for our offerings, reduced gross margins, loss of market share, and reduced revenue. The analytics market is highly competitive and subject to rapidly changing technology and market conditions. For enterprise analytics, we compete with global ISVs, such as IBM, Microsoft, Oracle, Salesforce, and SAP. Our ability to compete successfully depends on a number of factors within and outside of our control. Some of these factors include software quality, performance and reliability; the quality of our service and support teams; marketing and prospecting effectiveness; the ability to incorporate artificial intelligence (“AI”) and other technically advanced features; and our ability to differentiate our products. Failure to perform in these or other areas may reduce the demand for our offerings and materially adversely affect our revenue from both existing and prospective customers. Some of our competitors have longer operating histories, more focused business strategies and significantly greater financial, technical, and marketing resources than we do. As a result, they may be able to respond more quickly to new or emerging technologies and changes in customer requirements or devote greater resources to the development, promotion, sale, and marketing of their offerings than we can, such as offering certain analytics products free of charge when bundled with other products. In addition, many of our competitors have strong relationships with current and potential customers, extensive industry and specialized business knowledge, and corresponding proprietary technologies that they can leverage. As a result, they may be able to prevent us from penetrating new accounts or expanding existing accounts. Increased competition may lead to price cuts, reduced gross margins, and loss of market share. The failure to compete successfully and meet the competitive pressures we face may have a material adverse effect on our business, operating results, and financial condition. Current and future competitors may also make strategic acquisitions or establish cooperative relationships among themselves or with others. By doing so, these competitors may increase their ability to meet the needs of our potential customers by their expanded offerings and rapidly gain significant market share, which could limit our ability to obtain revenues from new customers and to sustain software maintenance revenues from our installed customer base. In addition, basic office productivity software suites, such as Microsoft Office, could evolve to offer advanced analysis and reporting capabilities that may reduce the demand for our analytics offerings. Integration of artificial intelligence into our enterprise analytics product offerings and our use of artificial intelligence in our operations could result in reputational or competitive harm, legal liability, and other adverse effects on our business. We have integrated, and plan to further integrate, AI capabilities into certain components of our enterprise analytics product offerings and we expect

to use AI in our operations. Such integration and use of AI may become more important in our product offerings and operations over time. These AI-related initiatives, whether successful or not, could cause us to incur substantial costs and could result in delays in our software release cadence. Our competitors or other third parties may incorporate AI into their products or operations more quickly or more successfully than we do, which could impair our ability to compete effectively. Additionally, AI algorithms may be flawed and datasets underlying AI algorithms may be insufficient or contain biased information. If the AI tools integrated into our products or that we use in our operations produce analyses or recommendations that are or are alleged to be deficient, inaccurate, or biased, our reputation, business, financial condition, and results of operations may be adversely affected. Other companies have experienced cybersecurity incidents that implicate confidential and proprietary company data and / or the personal data of end users of AI applications integrated into their software offerings or used in their operations. If we were to experience a cybersecurity incident, whether related to the integration of AI capabilities into our product offerings or our use of AI applications in our operations, our business and results of operations could be adversely affected. AI also presents various emerging legal, regulatory and ethical issues, and the incorporation of AI into our product offerings and our use of AI applications in our operations could require us to expend significant resources in developing, testing and maintaining our product offerings and may cause us to experience brand, reputational, or competitive harm, or incur legal liability. On October 30, 2023, the Biden administration issued an Executive Order to, among other things, establish extensive new standards for AI safety and security. **Additionally, in March 2024, the European Commission passed the Artificial Intelligence Act.** Other jurisdictions, **including certain U. S. states, have adopted or** may decide to adopt similar or more restrictive legislation that may render the use of such technologies challenging. These restrictions may make it harder for us to conduct our business using AI, lead to regulatory fines or penalties, require us to change our product offerings or business practices, or prevent or limit our use of AI.

Risks Related to Our Technology and Intellectual Property **If we are unable to develop and..... of operations, and financial condition.** Third parties may claim we infringe their intellectual property rights. We periodically receive notices from third parties claiming we are infringing their intellectual property rights. The frequency of such claims may increase as we expand our offerings and branding, the number of offerings and level of competition in our industry grow, the functionality of offerings overlaps, and the volume of issued patents, patent applications, and copyright and trademark registrations continues to increase. Responding to any infringement claim, regardless of its validity, could: • be time-consuming, costly, and / or result in litigation; • divert management's time and attention from developing our business; • require us to pay monetary damages or enter into royalty or licensing agreements that we would normally find unacceptable; • require us to stop selling certain of our offerings; • require us to redesign certain of our offerings using alternative non-infringing technology or practices, which could require significant effort and expense; • require us to rename certain of our offerings or entities; or • require us to satisfy indemnification obligations to our customers or channel partners. Additionally, while we monitor our use of third-party software, including open-source software, our processes for controlling such use in our offerings may not be effective. If we fail to comply with the terms or conditions associated with third-party software that we use, if we inadvertently embed certain types of third-party software into one or more of our offerings, or if third-party software that we license is found to infringe the intellectual property rights of others, we could become subject to infringement liability and be required to re-engineer our offerings, discontinue the sale of our offerings, or make available to certain third parties or generally available, in source code form, our proprietary code, any of which could materially adversely affect our business, operating results, and financial condition. If a successful infringement claim is made against us and we fail to develop or license a substitute technology or brand name, as applicable, our business, results of operations, financial condition, or cash flows could be materially adversely affected. ~~by third parties, and changes in or discontinuances of such licenses could impair our software, delay implementation of our offerings, or force us to pay higher license fees. We license third-party technologies that are incorporated into or utilized by our existing offerings. These licenses may be terminated, or we may be unable to license third-party technologies for future offerings. In addition, we may be unable to renegotiate acceptable third-party license terms, or we may be subject to infringement liability if third-party technologies that we license are found to infringe intellectual property rights of others. Changes in or discontinuance of third-party licenses could lead to a material increase in our costs or to our offerings becoming inoperable or their performance being materially reduced. As a result, we may need to incur additional development costs to help ensure continued performance of our offerings, and we may experience a decreased demand for our offerings.~~ Changes in third-party software or systems or the emergence of new industry standards could materially adversely affect the operation of and demand for our existing software. The functionalities of our software depend in part on the ability of our software to interface with our customers' information technology ("IT") infrastructure and cloud environments, including software applications, network infrastructure, and end user devices, which are supplied to our customers by various other vendors. When new or updated versions of these third-party software or systems are introduced, or new industry standards in related fields emerge, we may be required to develop updated versions of or enhancements to our software to help ensure that it continues to effectively interoperate with our customers' IT infrastructure and cloud environments. If new or modified operating systems are introduced or new web standards and technologies or new standards in the field of database access technology emerge that are incompatible with our software, development efforts to maintain the interoperability of our software with our customers' IT infrastructure and cloud environments could require substantial capital investment and employee resources. If we are unable to update our software in a timely manner, cost-effectively, or at all, the ability of our software to perform key functions could be impaired, which may impact our customers' satisfaction with our software, potentially result in breach of warranty or other claims, and materially adversely affect demand for our software. The nature of our software makes it particularly susceptible to undetected errors, bugs, or security vulnerabilities, which could cause problems with how the software performs and, in turn, reduce demand for our software, reduce our revenue, and lead to litigation claims against us. Despite extensive testing by us and our current and potential customers, we have in the past discovered software errors, bugs, or security vulnerabilities (including the log4j and SpringShell vulnerabilities which surfaced in December 2021 and March 2022, respectively, and affected companies worldwide).

in our offerings after commercial shipments began and they may be found in future offerings or releases. This could result in lost revenue, damage to our reputation, or delays in market acceptance, which could have a material adverse effect on our business, operating results, and financial condition. We may also need to expend resources and capital to correct these defects if they occur. Our customer agreements typically contain provisions designed to limit our exposure to product liability, warranty, and other claims. It is possible these provisions are unenforceable in certain domestic or international jurisdictions, and we may be exposed to such claims. A successful claim against us could have a material adverse effect on our business, operating results, and financial condition. Our intellectual property is valuable, and any inability to protect it could reduce the value of our offerings and brand. Unauthorized third parties may try to copy or reverse engineer portions of our software or otherwise obtain and use our intellectual property. Copyrights, patents, trademarks, trade secrets, confidentiality procedures, and contractual commitments can only provide limited protection. Any intellectual property owned by us may be invalidated, circumvented, or challenged. Any of our pending or future intellectual property applications, whether or not currently being challenged, may not be issued with the scope we seek, if at all. Moreover, amendments to and developing jurisprudence regarding U.S. and international law may affect our ability to protect our intellectual property and defend against claims of infringement. In addition, although we generally enter into confidentiality agreements with our employees and contractors, the confidential nature of our intellectual property may not be maintained. Furthermore, the laws of some countries do not provide the same level of protection of our intellectual property as do the laws of the United States. If we cannot protect our intellectual property against unauthorized copying or use, we may not remain competitive. We may be obligated to disclose our proprietary source code to our customers, which may limit our ability to protect our intellectual property and could reduce the renewals of our support services. Certain of our customer agreements contain provisions permitting the customer to become a party to, or a beneficiary of, a source code escrow agreement under which we place the proprietary source code for our applicable services and products in escrow with a third party. Under these escrow agreements, the source code to the applicable product may be released to the customer, typically for its use to maintain, modify, and enhance the product, upon the occurrence of specified events, such as our filing for bankruptcy, discontinuance of our support services, and / or ceasing our business operations generally. Disclosing the content of our source code may limit the intellectual property protection we can obtain or maintain for that source code or the services and products containing that source code. It also **could permit a customer to which a product's source code is disclosed to support and maintain that software product without being required to purchase our support services. We may be unable to develop and release new software product offerings or enhancements to our existing offerings in a timely and cost-effective manner. Analytics applications, and applications that leverage the Bitcoin blockchain, can be complex, and research and development for these types of applications can be costly and time consuming. In the case of new or contemplated offerings, we may not be able to identify business use cases for such offerings, and we have in the past and may in the future cease, delay or reallocate resources away from further development of or marketing efforts for such offerings. We cannot be sure that we will succeed in developing, marketing, and delivering, on a timely and cost-effective basis, new or enhanced offerings that will achieve market acceptance.**

Risks Related to Our Operations Business disruptions, including interruptions, delays, or failures of our systems, third-party data center hosting facility, or other third-party services, as a result of geopolitical tensions, acts of terrorism, natural disasters, pandemics (like the COVID-19 pandemic), and similar events, could materially adversely affect our operating results or result in a material weakness in our internal controls that could adversely affect the market price of our stock. A significant portion of our research and development activities or certain other critical business operations are concentrated in facilities in Northern Virginia, China, Argentina, and Poland. In addition, we serve our customers and manage certain critical internal processes using a third-party data center hosting facility located in the United States and other third-party services, including AWS, Azure, **Google**, and other cloud services. Any disruptions or failures of our systems or the third-party hosting facility or other services that we use, including as a result of a natural disaster, fire, cyberattack (including the potential increase in risk for such attacks due to cyberwarfare in connection with the ongoing Russia-Ukraine and Israel-Hamas conflicts), act of terrorism, geopolitical conflict (including due to the ongoing Russia-Ukraine and Israel-Hamas conflicts and any potential conflict involving China and Taiwan), pandemic (~~including the COVID-19 pandemic~~), the effects of climate change, or other catastrophic event, as well as power outages, telecommunications infrastructure outages, a decision by one of our third-party service providers to close facilities that we use without adequate notice or to materially change the pricing or terms of their services, host country restrictions on the conduct of our business operations or the availability of our offerings, or other unanticipated problems with our systems or the third-party services that we use, such as a failure to meet service standards, could severely impact our ability to conduct our business operations or to attract new customers or maintain existing customers, or result in a material weakness in our internal control over financial reporting, any of which could materially adversely affect our future operating results. ~~Our international operations are complex and expose us to risks that could have a material adverse effect on our business, operating results, and financial condition. We receive a significant portion of our total revenues from international sales and conduct our business activities in various foreign countries, including some emerging markets where we have limited experience, where the challenges of conducting our business can be significantly different from those we have faced in more developed markets, and where business practices may create internal control risks. International revenues accounted for 42.7%, 41.0%, and 44.7% of our total revenues for the years ended December 31, 2023, 2022, and 2021, respectively. Our international operations require significant management attention and financial resources and expose us to additional risks, including:~~

- new, or changes in, regulatory requirements;
- tariffs, export and import restrictions, restrictions on foreign investments, tax laws, sanctions, laws and policies that favor local competitors (such as mandatory technology transfers), and other trade barriers or protection measures;
- compliance with a wide variety of laws, including those relating to labor matters, antitrust, procurement and contracting, consumer and data protection, privacy, data localization, governmental access to data, network security, and encryption;
- costs of localizing offerings and lack of acceptance of localized offerings;
- difficulties in and costs of staffing;

managing, and operating our international operations; • economic weakness or currency-related crises; • generally longer payment cycles and greater difficulty in collecting accounts receivable; • weaker intellectual property protection; • increased risk of corporate espionage or misappropriation, theft, or misuse of intellectual property, particularly in foreign countries where we have significant software development operations that have access to product source code, such as China; • our ability to adapt to sales practices and customer requirements in different cultures; • natural disasters, acts of war (including risks relating to the ongoing conflict between Russia and Ukraine, a potential broadening of the Israel– Hamas conflict to other countries in the Middle East, and any potential conflict involving China and Taiwan), terrorism, or pandemics (including the COVID– 19 pandemic); and • political instability and security risks in the countries where we are doing business, including, without limitation, political and economic instability caused by the current conflict between Russia and Ukraine and economic sanctions adopted in response to the conflict, and a potential broadening of the Israel– Hamas conflict to other countries in the Middle East. Disruptions to trade, weakening of economic conditions, economic and legal uncertainties, or changes in currency rates may adversely affect our business, financial condition, operating results, and cash flows. The United States has put in place higher tariffs and other restrictions on trade with China, the European Union, Canada, and Mexico, among other countries, including limiting trade and /or imposing tariffs on imports from such countries. In addition, China, the European Union, Canada, and Mexico, among others, have either threatened or put into place retaliatory tariffs of their own. These tariffs and any further escalation of protectionist trade measures could adversely affect the markets in which we sell our offerings and, in turn, our business, financial condition, operating results, and cash flows. It is unclear whether and to what extent such measures will be reversed in the future or whether the Biden administration will make additional changes to U. S. trade policy that may result in further impacts on our business. Changes to the U. S. taxation of our international income, or changes in foreign tax laws, could have a material effect on our future operating results. For example, the Tax Act led to corporate income tax rate changes, the modification or elimination of certain tax incentives, changes to the existing regime for taxing overseas earnings, and measures to prevent BEPS, and the United Kingdom adopted legislation imposing a tax related to offshore receipts in respect of intangible property held in low tax jurisdictions. Moreover, compliance with foreign and U. S. laws and regulations that are applicable to our international operations is complex and may increase our cost of doing business in international jurisdictions. Our failure to comply with these laws and regulations has exposed, and may in the future expose, us to fines and penalties. These laws and regulations include anti– bribery laws, such as the U. S. Foreign Corrupt Practices Act, the UK Bribery Act, local laws prohibiting corrupt payments to government officials, and local laws relating to procurement, contracting, and antitrust. These laws and regulations also include import and export requirements and economic and trade sanctions administered by the Office of Foreign Assets Control and the U. S. Department of Commerce based on U. S. foreign policy and national security goals against targeted foreign states, organizations, and individuals. Although we have implemented policies and procedures designed to help ensure compliance with these laws, our employees, channel partners, and other persons with whom we do business may take actions in violation of our policies or these laws. For example, following an internal review initiated in 2018, we believe our Brazilian subsidiary failed or likely failed to comply with local procurement regulations in conducting business with certain Brazilian government entities and these matters are the subject of investigation by Brazilian authorities. Any violation of these laws could subject us to civil or administrative penalties, including substantial fines, prohibitions, or other limitations on our ability to sell our offerings to one or more countries, and could also materially damage our reputation and our brand. These factors may have a material adverse effect on our future sales, business, operating results, and financial condition. We face a variety of risks in doing business with U. S. and foreign federal, state, and local governments and government agencies, including risks related to the procurement process, budget constraints and cycles, termination of contracts, and compliance with government contracting requirements. Our customers include the U. S. government, state and local governments and government agencies. There are a variety of risks in doing business with government entities, including: Procurement. Contracting with public sector customers is highly competitive and can be time- consuming and expensive, requiring us to incur significant upfront time and expense without any assurance that we will win a contract. Further, even if we win a contract, it may be placed on hold, or reversed, due to a post- award protest. Budgetary Constraints and Cycles. Public sector funding reductions or delays adversely impact demand and payment for our offerings. Termination of Contracts. Public sector customers often have contractual or other legal rights to terminate contracts for convenience or due to a default. If a contract is terminated for the customer’ s convenience, we may only be able to collect fees for software or services delivered prior to termination and settlement expenses. If a contract is terminated due to our default, we may not recover even those amounts, and we may be liable for excess costs incurred by the customer for procuring alternative software or services. Compliance with Government Contracting Requirements. Government contractors are required to comply with a variety of complex laws, regulations, and contractual provisions relating to the formation, administration, or performance of government contracts that give public sector customers substantial rights and remedies, many of which are not typical for commercial contracts. These may include rights regarding price protection, the accuracy of information provided to the government, contractor compliance with socio- economic policies, and other terms unique to government contracts. Governments and government agencies routinely investigate and audit contractors for compliance with these requirements. If, as a result of an audit or review, it is determined that we have failed to comply with these requirements, we may be subject to civil and criminal penalties or administrative sanctions, including contract termination, forfeiture of profits, fines, treble damages, and suspensions or debarment from future government business and we may suffer harm to our reputation. Our customers also include foreign governments and government agencies. Similar procurement, budgetary, contract, and audit risks also apply to these entities. In addition, compliance with complex regulations and contracting provisions in a variety of jurisdictions can be expensive and consume significant management resources. In certain jurisdictions, our ability to win business may be constrained by political and other factors unrelated to our competitive position in the market. Each of these difficulties could materially adversely affect our business and results of operations. If we are unable to recruit or retain skilled personnel, or if we lose the services of Michael J.

Saylor, our business, operating results, and financial condition could be materially adversely affected. Our future success depends on our continuing ability to attract, train, assimilate, and retain highly skilled personnel. There has historically been significant competition for qualified employees in the technology industry, and such competition may be further amplified by evolving restrictions on immigration, travel, or availability of visas for skilled technology workers. We may not be able to retain our current key employees or attract, train, assimilate, and retain other highly skilled personnel in the future, **particularly at times when we undergo significant headcount reductions**. Our future success also depends in large part on the continued service of Michael J. Saylor, our Chairman of the Board of Directors and Executive Chairman. If we **were to lose the services of Mr. Saylor, or if we are unable to attract, train, assimilate, and retain the highly skilled personnel we need, or we were to lose the services of Mr. Saylor**, our business, operating results, and financial condition could be materially adversely affected. **These risks may be exacerbated if a shareholder or a group of affiliated shareholders (other than or not including Mr. Saylor) were to exercise majority voting control of the Company.** Changes in laws or regulations relating to privacy or the collection, processing, disclosure, storage, localization, or transmission of personal data, or any actual or perceived failure by us or our third-party service providers to comply with such laws and regulations, contractual obligations, or applicable privacy policies, could materially adversely affect our business. **Certain aspects** of our business involve collecting, processing, disclosing, storing, and transmitting personal data, which are subject to certain privacy policies, contractual obligations, and U. S. and foreign laws, regulations, and directives relating to privacy and data protection. **We store a substantial amount of customer and employee data, including personal data, on our networks and other systems and the cloud environments we manage.** In addition, the types of data subject to protection as personal data in the European Union, China, the United States, and elsewhere have been expanding. In recent years, the collection and use of personal data by companies have come under increased regulatory and public scrutiny, especially in relation to the collection and processing of sensitive data, such as healthcare, biometric, genetic, financial services, and children's data, precise location data, and data regarding a person's race or ethnic origins, political opinions, or religious beliefs. **For example, in There are various enforcement agencies at both the state** United States, protected health information is subject to HIPAA, which can provide for civil and **federal level** criminal penalties for noncompliance. Entities (such as us) that **review compliance** engage in creating, receiving, maintaining, or transmitting protected health information provided by covered entities and other business associates are subject to enforcement under HIPAA. Our access to protected health information triggers obligations to comply with **these** certain privacy rules and data security requirements, **including** under HIPAA. In addition to potential enforcement by the United States Department of Health and Human Services for potential HIPAA violations **of**, we are also potentially subject to privacy enforcement from the **Health Insurance Portability and Accountability Act of 1996 and the Federal Trade Commission ("FTC**. The FTC has been particularly focused on certain activities related to the processing of sensitive data, including the unpermitted processing of health and genetic data through its recent enforcement actions and is expanding the types of privacy violations that it interprets to be "unfair" under Section 5 of the FTC Act, as well as the types of activities it views to trigger the Health Breach Notification Rule (which the FTC also has the authority to enforce). The agency is also in the process of developing rules related to commercial surveillance and data security that may impact our business. We will need to account for the FTC's evolving rules and guidance for proper privacy and data security practices in order to mitigate our risk for a potential enforcement action, which may be costly. If we are subject to a potential FTC enforcement action, we may be subject to a settlement order that requires us to adhere to very specific privacy and data security practices, which may impact our business. We may also be required to pay fines as part of a settlement (depending on the nature of the alleged violations). If we violate any consent order that we reach with the FTC, we may be subject to additional fines and compliance requirements. We face risks of similar enforcement from State Attorneys General and, potentially, other regulatory agencies. **Any systems failure or security breach** Similar laws exist in other foreign jurisdictions, including the European Union, that may impact results in the release of, or **our** unauthorized access to **business activities. In addition, various U. S. federal and state** personal data, or any failure or perceived failure by us or our third-party service providers to comply with applicable privacy policies, contractual obligations, or any applicable laws or regulations relating to privacy or data protection, could result in proceedings against us by domestic or foreign government **agencies** entities or others, including private plaintiffs in litigation. Such proceedings could result in the imposition of sanctions, fines, penalties, liabilities, government orders, and / or orders requiring that we change our data practices, any of which could have a material adverse effect on our business, operating results, reputation, and financial condition. Various U. S. and foreign government bodies may enact new or additional laws or regulations, or issue rulings that invalidate prior laws or regulations, concerning privacy, data storage, data protection, and cross-border transfer of data that could materially adversely impact our business. **Any systems failure or** In the European Union, GDPR took effect in May 2018. GDPR establishes requirements regarding the handling and security **breach that results in the release of, or unauthorized access to,** personal data, requires disclosure of data breaches or any failure or perceived failure by us or our third-party service providers to individuals comply with applicable privacy policies, customers contractual obligations, and or any applicable laws or regulations relating to privacy or data protection authorities in certain circumstances, requires companies to honor **could result in proceedings against us by domestic or foreign government entities or others, including private plaintiffs in litigation. Such proceedings could result in the imposition of sanctions, fines, penalties, liabilities, government orders, and / or orders requiring that we change our** data practices subjects' requests relating to their personal data, **any** permits regulators to impose fines of up to € 20,000,000 or 4 % of global annual revenue, whichever is higher, and establishes a private right of action. Furthermore, a new ePrivacy Regulation, regulating electronic communications, was proposed in 2017 and is under consideration by the European Commission, the European Parliament, and the European Council. In July 2020, the CJEU invalidated the U. S.- EU Privacy Shield, which provided a mechanism to lawfully transfer personal data from the European Union to the United States and certain other countries. In the wake of the invalidation of the U. S.- EU Privacy Shield, we transitioned to reliance on SCCs to lawfully transfer certain personal data from the European Union to the

United States. The CJEU decision also drew into question the long-term viability of the SCCs for transfers of personal data from the EU and European Economic Area to the U. S. As a result, in October 2022, President Biden signed an executive order to implement the EU-U. S. Data Privacy Framework, which would **could** serve as a replacement to the EU-U. S. Privacy Shield. The European Union initiated the process to adopt an adequacy decision for the EU-U. S. Data Privacy Framework in December 2022 and the European Commission adopted the adequacy decision on July 10, 2023. The adequacy decision will permit U. S. companies who self-certify to the EU-U. S. Data Privacy Framework to rely on it as a valid data transfer mechanism for data transfers from the EU to the U. S. and will also provide support for the use of standard contractual clauses. However, some privacy advocacy groups have already suggested that they will be challenging the EU-U. S. Data Privacy Framework. If these challenges are successful, they may not only impact the EU-U. S. Data Privacy Framework, but they may also further limit the viability of the standard contractual clauses and other data transfer mechanisms. The uncertainty around this issue has the potential to impact our business internationally. Because the rules involving this data transfer mechanism are also undergoing revision and this transfer mechanism may also be declared invalid (or require us to change our business practices) in the future, these developments may require us to provide an alternative means of data transfer. In addition, the required terms for contracts containing SCCs along with recommended supplemental provisions are changing and may require us to assume additional obligations, otherwise inhibit or restrict our ability to undertake certain activities, or incur additional costs related to data protection. In addition, in June 2021, the EDPB issued the EDPB Recommendations. The new SCCs were required to be in place for new transfers of personal data as of September 27, 2021 and to replace those being used for existing transfers of personal data by December 27, 2022. The new SCCs place obligations on us in relation to government authorities' access requests in respect of personal data transferred under the SCCs, and other obligations to bring the SCCs in line with the requirements of the GDPR. The EDPB Recommendations are designed to be read in tandem with the new SCCs and set out new requirements for organizations to assess third countries and identify appropriate supplementary data protection and security measures to be implemented on a **material adverse** ease-by-ease basis where needed. Moreover, due to Brexit, the SCCs issued by the European Commission are no longer automatically adopted in the United Kingdom post-Brexit. In response, the UK's Information Commissioner's Office ("ICO") published a template Addendum to the new EU SCCs which adapts the new EU SCCs for UK use. In the alternative, the ICO also published the international data transfer agreement ("IDTA"). The IDTA replaces the current set of SCCs being used in the UK. The UK SCCs Addendum and IDTA, after having been put before UK parliament, have been in force as of March 2022 and UK-based organizations were required to start using the UK IDTA or Addendum for new data transfer arrangements starting in September 2022. The UK and the U. S. also agreed to a U. S.-UK "data bridge," which went into effect on October 12, 2023. This functions similarly to the EU-U. S. Data Privacy Framework and provides an additional legal mechanism for companies to transfer data from the UK to the U. S. The rules involving these alternative SCC data transfer options are continually undergoing revision and these transfer mechanisms may also be declared invalid (or require us to change our business practices) in the future, requiring us to provide an alternative means of data transfer or implement significant changes in our data security and protection practices. In addition, the required terms for contracts containing SCCs along with recommended supplemental provisions are changing and may require us to assume additional obligations, otherwise inhibit or restrict our ability to undertake certain activities, or incur additional costs related to data protection. Similar requirements are also coming into force in other countries. Brazil enacted the Brazilian General Data Protection Law, which became effective in August 2020 and imposes requirements largely similar to GDPR on products and services offered to users in Brazil. In China, we may also be subject to the Cybersecurity Law that went into effect in June 2017 and the revision of the Personal Information Security Specification that went into effect in October 2020, which have broad but uncertain application and impose a number of new privacy and data security obligations. China also adopted new legislation on the protection of privacy and personal data in November 2021, including the PIPL and Data Security Law that impose new data processing obligations on us. Under these new regulations, if an entity operating **results** in China violates the law, **reputation** regulators may order it to take corrective actions, issue warnings, confiscate illegal income, suspend services, revoke operating permits or business licenses, or issue a fine. The fine can be up to ¥ 50 million or 5 percent of an **and** organization's annual revenue for the prior financial year. Further, in connection with cross-border transfer of personal information under the PIPL in China, China regulators published the Draft Rules on Standard Contracts Regarding Export of Personal Information and, under the PIPL, the adoption of standard contractual clauses between the data controller (the entity which transfers personal information to a location outside the PRC) and the offshore recipient is required to lawfully facilitate the offshore transfer of personal information from China. These requirements apply to companies operating in China and seeking to transfer personal data outside of China and organizations which do not satisfy these conditions- **condition** may be required to satisfy additional regulatory requirements and/or be subject to penalties or fines. Other countries are considering new or expanded laws governing privacy and data security that may impact our business practices. These developments, including in Brazil and China, may impact our activities with our customers, other MicroStrategy entities and vendors, and require us to take additional and appropriate steps in light of data transfers between the U. S. and the EU (and the UK), as well as transfers and onward transfers of personal data from the EU to other non-EU countries. State privacy laws in the United States also may impact our business operations. The state of California has adopted a comprehensive privacy law, the CCPA, which took effect in January 2020 and became enforceable in July 2020. We have been required to devote substantial resources to implement and maintain compliance with the CCPA, and noncompliance could result in regulatory investigations and fines or private litigation. Moreover, in November 2020, California voters approved a privacy law, the CPRA, which amends the CCPA to create additional privacy rights and obligations in California, and went into effect on January 1, 2023. Numerous other states have passed laws similar to the CCPA, which will go into effect in 2023 and beyond. More states may follow. These laws may impose additional costs and obligations on us. Similarly, in March 2022, the U. S. federal government also passed the Cyber Incident Reporting for Critical Infrastructure Act of 2022, which will require companies deemed to be part of U. S. critical infrastructure to report any

~~substantial cybersecurity incidents or ransom payments to the federal government within 72 and 24 hours, respectively. The implementing regulations are not expected for another two- to three years. The Securities and Exchange Commission also has issued new regulations related to cybersecurity that may require additional reporting and other compliance obligations, as well as creating additional risks related to public notifications concerning cyber incidents.~~ Furthermore, the U. S. Congress is considering comprehensive privacy legislation. At this time, it is unclear whether Congress will pass such a law and if so, when and what it will require and prohibit. Moreover, it is not clear whether any such legislation would give the FTC any new authority to impose civil penalties for violations of the Federal Trade Commission Act in the first instance, whether Congress will grant the FTC rulemaking authority over privacy and information security, or whether Congress will vest some or all privacy and data security regulatory authority and enforcement power in a new agency, akin to EU data protection authorities. Complying with these and other changing requirements could cause us or our customers to incur substantial costs or pay substantial fines or penalties, require us to change our business practices, require us to take on more onerous obligations in our contracts, or limit our ability to provide certain offerings in certain jurisdictions, any of which could materially adversely affect our business and operating results. New laws or regulations restricting or limiting the collection or use of mobile data could also reduce demand for certain of our offerings or require changes to our business practices, which could materially adversely affect our business and operating results. If we or our third- party service providers experience a disruption due to a cybersecurity attack or security breach and unauthorized parties obtain access to our customers', prospects', vendors', or channel partners' data, our data, our networks or other systems, or the cloud environments we manage, our offerings may be perceived as not being secure, our reputation may be harmed, demand for our offerings may be reduced, our operations may be disrupted, we may incur significant legal and financial liabilities, and our business could be materially adversely affected. As part of our business, we process, store, and transmit our customers', prospects', vendors', and channel partners' data as well as our own, including in our networks and other systems and the cloud environments we manage. Security breaches may occur due to technological error, computer viruses, or third- party action, including intentional misconduct by computer hackers or state actors, physical break- ins, industrial espionage, fraudulent inducement of employees, customers, or channel partners to disclose sensitive information such as usernames or passwords, and employee, customer, or channel partner error or malfeasance. A security breach could result in unauthorized access to or disclosure, modification, misuse, loss, or destruction of our customers', prospects', vendors', or channel partners' data, our data (including our proprietary information, intellectual property, or trade secrets), our networks or other systems, or the cloud environments we manage. Third parties may also conduct attacks designed to prevent access to critical data or systems through ransomware or temporarily deny customers access to our cloud environments. We, and our service providers, have experienced and may in the future experience attempts by third parties to identify and exploit software and service vulnerabilities, penetrate or bypass our security measures, and gain unauthorized access to our or our customers' or service providers' cloud environments, networks, and other systems. Security measures that we or our third- party service providers have implemented may not be effective against all current or future security threats. Because there are many different security breach techniques and such techniques continue to evolve, we may be unable to anticipate, detect, or mitigate attempted security breaches and implement adequate preventative measures. Any security breach, ransomware attack, or successful denial of service attack could result in a loss of customer confidence in the security of our offerings and damage to our brand, reduce the demand for our offerings, disrupt our normal business operations, require us to spend material resources to investigate or correct the breach, require us to notify affected customers or individuals and / or applicable regulators and others, provide identity theft protection services to individuals, expose us to legal liabilities, including litigation, regulatory enforcement actions, and indemnity obligations, and materially adversely affect our revenues and operating results. Our software operates in conjunction with and is dependent on third- party products and components across a broad ecosystem. If there is a security vulnerability in one of these products or components, and if there is a security exploit targeting it, we could face increased costs, liability claims, customer dissatisfaction, reduced revenue, or harm to our reputation or competitive position. Our insurance policies may not be adequate to compensate us for the potential losses arising from any cybersecurity breach or incident. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance may not cover all claims made against us and could have high deductibles in any event, and defending a suit, regardless of its merit, could be costly and divert management attention. These risks will increase as we continue to grow the number and scale of our cloud subscriptions and process, store, and transmit increasingly large amounts of our customers', prospects', vendors', channel partners', and our own data. In particular, as remote working conditions have led businesses to increasingly rely on virtual environments and communication systems, there has been an increase in cyberattacks and other malicious activities. Our having entered into an indemnification agreement with Michael J. Saylor, our Chairman of the Board of Directors and Executive Chairman, that supplements our conventional director and officer liability insurance provided by third- party insurance carriers could negatively affect our business and the market price of our **listed securities** ~~class A common stock~~. We have entered into an indemnification agreement with Michael J. Saylor, our Chairman of the Board of Directors and Executive Chairman, pursuant to which Mr. Saylor has agreed to personally indemnify our directors and officers with respect to certain claims and expenses excluded from the insurance coverage provided by our commercial director and officer insurance carriers, for which we agreed to pay Mr. Saylor an applicable annual fee. Our having entered into this indemnification agreement with Mr. Saylor could have adverse effects on our business, including making it more difficult to attract and retain qualified directors and officers due to the unconventional nature of the arrangement and potential concerns that the indemnification arrangement might not provide the same level of protection that might otherwise be provided by coverage obtained entirely through conventional director and officer insurance. In addition, our indemnification arrangement with Mr. Saylor may result in some investors perceiving that our independent directors are not sufficiently independent from Mr. Saylor due to their entitlement to personal indemnification from him, which may have an adverse effect on the market price of our **listed securities** ~~class A common stock~~. Volatile and significantly weakened global economic conditions have in the past and

may in the future adversely affect our industry, business and results of operations. Our overall performance depends in part on worldwide economic and geopolitical conditions. The United States and other key international economies have experienced significant economic and market downturns in recent periods, which have been characterized by restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, inflation, bank failures, bankruptcies and overall uncertainty with respect to the economy. In addition, geopolitical and domestic political developments, such as existing and potential trade wars and other events beyond our control, including the conflicts in Ukraine and the Middle East, can increase levels of political and economic unpredictability globally and increase the volatility of global financial markets. Moreover, these conditions have affected and may continue to affect the rate of IT spending; could adversely affect our customers' ability or willingness to attend our events or to purchase our software and service offerings; have delayed and may delay customer purchasing decisions; have reduced and may in the future reduce the value and duration of customer subscription contracts; and we expect these conditions will adversely affect our customer attrition rates. All of these risks and conditions could materially adversely affect our future sales and operating results. Risks Related to Our **Listed Securities**

Generally Class A Common Stock—The market price of our class A common stock has been and may continue to be volatile. The market price of our class A common stock has historically been volatile and this volatility has been significant in recent periods. Since August 11, 2020, the date on which we announced our initial purchase of bitcoin, the closing price of our class A common stock has increased from \$ ~~123.62~~ **12.62** ~~36~~ as of August 10, 2020, the last trading day before our announcement, to \$ ~~769.88~~ **73** ~~73~~ as of February 14, ~~2024~~ **2025**. The market price of our class A common stock may fluctuate widely in response to various factors, some of which are beyond our control. These factors include, but are not limited to: • fluctuations in the price of bitcoin, of which we have significant holdings, and in which we expect we will continue to make significant purchases and announcements about our transactions in bitcoin; • changes to our bitcoin ~~acquisition~~ strategy; • announcement of additional capital raising transactions; • regulatory, commercial and technical developments related to bitcoin or the Bitcoin blockchain; • quarterly variations in our results of operations or those of our competitors; • announcements about our earnings that are not in line with analyst expectations, the likelihood of which may be enhanced because it is our policy not to give guidance relating to our anticipated financial performance in future periods; • announcements by us or our competitors of acquisitions, dispositions, new offerings, significant contracts, commercial relationships, or capital commitments; • our ability to develop, market, and deliver new and enhanced offerings on a timely basis; • commencement of, or our involvement in, litigation; • recommendations by securities analysts or changes in earnings estimates and our ability to meet those estimates; • investor perception of our Company, including as compared to investment vehicles that are designed to track the price of bitcoin, such as spot bitcoin ETPs; • announcements by our competitors of their earnings that are not in line with analyst expectations; • the volume of shares of our class A common stock **and other securities** available for public sale; • sales or purchases of stock by us or by our stockholders and issuances of awards under our equity incentive plan; and • general economic conditions and slow or negative growth of related markets, including as a result of war, terrorism, infectious diseases (such as COVID-19), natural disasters and other global events, and government responses to such events. In addition, the stock market and the markets for both bitcoin-influenced and technology companies have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies in those markets. **In particular, recent trading prices of our class A common stock may reflect market dynamics that are not connected to traditional software and business intelligence industry fundamentals, or to valuation methods commonly associated with operating companies in these industries or with companies engaged predominantly in passive investments in bitcoin or other commodities, such as exchange-traded funds. Our equity market capitalization as of December 31, 2024 is well in excess of our stockholders' equity calculated in accordance with U. S. GAAP, and in excess of valuations that might traditionally be expected based on our operating performance, cash flows and net assets. Investors may therefore be unable to assess the value our class A common stock or evaluate the risks of an investment in us using traditional or commonly used enterprise valuation methods. We cannot predict how these dynamics may evolve over time, or whether or how long they may last.** These market and industry factors may ~~seriously~~ **significantly** harm the market price of our class A common stock, regardless of our actual operating performance. Because of the rights of our two classes of common stock and because ~~we are controlled by~~ Michael J. Saylor, who beneficially owns the majority of our class B common stock, **controls a significant portion of our total voting power, Mr. Saylor has significant influence over matters that require approval of our stockholders and as a result could impede transfer control of MicroStrategy to a third party without the approval of our Board of Directors or our other stockholders, prevent a third party from acquiring us, or limit the ability of our other stockholders to influence corporate matters.** We have two classes of common stock: class A common stock and class B common stock. Holders of our class A common stock generally have the same rights as holders of our class B common stock, except that holders of class A common stock have one vote per share while holders of class B common stock have ten votes per share. As of February ~~14, 2024~~ **2025**, there ~~are~~ **were** ~~19,964,640~~ **19,964,640** ~~025,250~~ shares of class B common stock outstanding, which ~~accounts~~ **accounted** for approximately ~~56.45~~ **7.2** % of the total voting power of our outstanding common stock. As of February ~~14, 2024~~ **2025**, Mr. Saylor, our Chairman of the Board of Directors and Executive Chairman, beneficially owned ~~1,961,616~~ **1,961,616** ~~668,680~~ shares of class B common stock, or ~~56.45~~ **6.2** % of the total voting power. Accordingly, Mr. Saylor **has significant influence over matters that can control MicroStrategy through his ability to determine the outcome of elections of our directors, amend our certificate of incorporation and by-laws, and take other actions requiring** ~~require~~ **the vote approval of or our consent of stockholders, including mergers, going-private transactions, and other extraordinary transactions and their terms.** ~~Our~~ **elections of our directors, and amendments to our** certificate of incorporation ~~allows holders and by-laws. Provisions of our charter~~ **class B common stock to transfer shares of class B common stock, subject to by-laws and Delaware law may have anti-takeover effects that could prevent a change in control even if the approval of change in control would be beneficial to our** stockholders **Provisions holding a majority of our charter, by-laws and Delaware law** the outstanding class B common stock. Mr. Saylor could **make it more difficult**;

without the approval of our Board of Directors or for our other stockholders, transfer voting control of MicroStrategy to a third party to. Such a transfer of control or acquire us, even if doing so would be beneficial to our stockholders, including our board of directors having the right to elect directors to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director and the ability of our board of directors to issue, without stockholder approval, shares of undesignated preferred stock. Further, as a Delaware corporation, we are also subject to certain Delaware anti-takeover provisions. Under Delaware law, a corporation may not engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, the board of directors has approved the transaction. Our board of directors could rely have a material adverse effect on Delaware law to our business, operating results, and financial condition. Mr. Saylor could also prevent a change or delay an acquisition of control of MicroStrategy us. Future sales, regardless or the perception of whether holders future sales, of our class A common stock might otherwise receive a premium for their shares over the then-current market price. In addition, this concentrated control limits stockholders' ability to influence corporate matters and, as a result, we may take actions that our non-controlling stockholders do not view as beneficial or that conflict with their interests. As a result, the market price of our class A common stock could be materially adversely affected. Our status as a "controlled company" could make our class A common stock less attractive to some investors or otherwise materially adversely affect our stock price. Because we qualify as a "controlled company" under Nasdaq corporate governance rules, we are not required to have independent directors comprise a majority of our Board of Directors. Additionally, our Board of Directors is not required to have an independent compensation or nominating committee or to have the independent directors exercise the nominating function. We are also not required to have the compensation of our executive officers be determined by a compensation committee of independent directors. In addition, we are not required to empower our Compensation Committee with the authority to engage the services of any compensation consultants, legal counsel, or other advisors, or to have the Compensation Committee assess the independence of compensation consultants, legal counsel, and other advisors that it engages. In light of our status as a controlled company, our Board of Directors has determined not to establish an independent nominating committee or have its independent directors exercise the nominating function and has elected instead to have the Board of Directors be directly responsible for nominating members of the Board. A majority of our Board of Directors is currently comprised of independent directors, and our Board of Directors has established a Compensation Committee comprised entirely of independent directors. The Compensation Committee determines the compensation of our Chief Executive Officer and Executive Chairman. However, our Board of Directors has authorized our Chief Executive Officer to determine the compensation of executive officers other than himself and the Executive Chairman, except that equity-based compensation is determined by the Compensation Committee. Awards made to directors and officers subject to Section 16 of the Exchange Act under the 2023 Equity Plan are also approved by the Compensation Committee. Additionally, while our Compensation Committee is empowered with the authority to retain and terminate outside counsel, compensation consultants, and other experts or consultants, it is not required to assess their independence. Although currently a majority of our Board of Directors is comprised of independent directors and the Compensation Committee is comprised entirely of independent directors, we may elect in the future not to have independent directors constitute a majority of the Board of Directors or the Compensation Committee, our Executive Chairman's and Chief Executive Officer's compensation determined by a compensation committee of independent directors, or a compensation committee of the Board of Directors at all. Accordingly, should the interests of our controlling stockholder differ from those of other stockholders, the other stockholders may not have the same protections that are afforded to stockholders of companies that are required to follow all of the Nasdaq corporate governance rules. Our status as a controlled company could make our class A common stock less attractive to some investors or otherwise materially adversely affect our stock price. Future sales, or the perception of future sales, of our class A common stock, convertible debt instruments, series A perpetual strike preferred stock, other classes or series of preferred stock, or other convertible securities could depress the price of our listed securities. We may issue and sell additional shares of class A common stock. We may issue and sell additional shares of class A common stock, convertible notes, convertible preferred stock, or other securities in subsequent offerings to raise capital or issue shares for other purposes, including in connection with the acquisition of additional bitcoin. For example, since between January 1, 2023-2024 and February 14, 2025, we have issued and sold: • \$ 2-18 . 029-970 billion of shares of class A common stock through at-the-market equity offering programs; • \$ 584. 0 million of shares of our series A perpetual strike preferred stock; • \$ 800. 0 million aggregate principal amount of 0. 625 % Convertible Senior Notes due 2030 (the "2030 Convertible Notes"); • \$ 603. 8 million aggregate principal amount of 0. 875 % Convertible Senior Notes due 2031 (the "2031 Convertible Notes"); • \$ 800. 0 million in aggregate principal amount of 2. 25 % Convertible Senior Notes due 2032 (the "2032 Convertible Notes"); • \$ 1. 010 billion in aggregate principal amount of 0. 625 % Convertible Senior Notes due 2028 (the "2028 Convertible Notes"); and • \$ 3. 000 billion in aggregate principal amount of 0 % Convertible Senior Notes due 2029 (the "2029 Convertible Notes"). On October 30, 2024, we filed a prospectus for a new at-the-market equity offering program pursuant to which we may sell class A common stock having an aggregate offering price of up to an additional \$ 21 137. 8 million billion from time to time, through Cowen and TD Securities (USA) LLC, Barclays Capital Inc., The Benchmark Company, LLC, BTIG, LLC, Canaccord Genuity LLC, Cantor Fitzgerald & Co., Maxim Group LLC, Mizuho Securities USA LLC, and BTIG-SG Americas Securities, LLC, as agents, under a sales agreement dated October 30, 2024 (the "November-October 2023-2024 Sales Agents Agreement"). As of February 14, 2025, we may issue and sell additional class A common stock having an aggregate offering price of up to \$ 4. 168 billion from time to time under the November-October 2023-2024 Sales Agreement described in Note 13, At-the-Market Equity Offerings, to our Consolidated Financial Statements. We cannot predict: • the size of future issuances of equity securities; • the size and terms of future issuances of convertible debt instruments or other convertible securities; or • the effect, if any, that future issuances and sales of our securities will have on the market price of our listed securities class A common stock.

Transactions involving newly issued class A common stock, convertible debt instruments, **series A perpetual strike preferred stock, other series of convertible preferred stock** or other convertible securities could result in possibly substantial dilution to holders of our class A common **stock and our series A perpetual strike preferred** stock. Our amended and restated by-laws provide that the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, then any other state court located in the State of Delaware, or if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) is the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for such disputes with us or our directors, officers or employees. Our amended and restated by-laws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, then any other state court located in the State of Delaware, or if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, other employee or stockholder of the Company to the Company or the Company's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware or the Company's certificate of incorporation or by-laws (in each case, as they may be amended from time to time), or (iv) any action asserting a claim governed by the internal affairs doctrine. This exclusive forum provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act, which provides for exclusive jurisdiction of the federal courts. It could apply, however, to a suit that falls within one or more of the categories enumerated in the choice of forum provision and asserts claims under the Securities Act, inasmuch as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. There is uncertainty as to whether a court would enforce such provision with respect to claims under the Securities Act, and our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated by-laws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. **Risks**

Relating to Our level Series A Perpetual Strike Preferred Stock Our series A perpetual strike preferred stock is senior to our class A common stock, junior to our existing and future terms of indebtedness, structurally junior to the liabilities of our subsidiaries and subject to the rights and preferences of any other class or series of preferred stock then outstanding. If we liquidate, dissolve or wind up, whether voluntarily or involuntarily, then our assets will be available to distribute to our equity holders, including holders of our class A common stock and series A perpetual strike preferred stock, only if all of our then-outstanding indebtedness is first paid in full. The remaining assets, if any, would then be allocated among the holders of our equity securities in accordance with their respective liquidation rights. If we issue any preferred stock senior to our series A perpetual strike preferred stock, which we refer to as "liquidation senior stock," in the future, then the amounts due upon that liquidation senior stock must be paid in full before any payments can be made on the series A perpetual strike preferred stock or common stock. If any assets remain after any liquidation senior stock is paid in full, those assets will be distributed pro rata among holders of our series A perpetual strike preferred stock and any series of preferred stock with liquidation parity with our series A perpetual strike preferred stock, which we refer to as "liquidation parity stock," with any remaining assets distributed to holders of our common stock. There may be insufficient remaining assets available to pay the liquidation preference and unpaid accumulated dividends on our series A perpetual strike preferred stock in which case holders of our common stock would not receive any value for their shares. If we issue any dividend senior stock in the future, such dividend senior stock could contain provisions that prohibit us from paying accumulated dividends adversely affect our ability to raise additional capital to further execute on our bitcoin acquisition strategy, fund **series A perpetual strike preferred stock** or **or purchasing** enterprise analytics software operations, **redeeming or acquiring our series A perpetual strike preferred stock until** and take advantage of new business opportunities **unless we first pay accumulated dividends in full on such dividend senior stock.** As of December 31, 2023-2024, **excluding intercompany** we had \$ 2.210 billion aggregate indebtedness, consisting **and without giving effect to our redemption** of \$ 650.0 million aggregate principal amount of 0.750 % Convertible Senior Notes due 2025 (the "2025 Convertible Notes"), \$ 1.05 billion aggregate principal amount of 0 % Convertible Senior Notes due 2027 (the "2027 Convertible Notes"), we had approximately \$ 7.274 billion in aggregate principal amount of consolidated indebtedness outstanding, all of which ranks senior to our series A perpetual strike preferred stock and our class A common stock, and no dividend senior stock or liquidation senior stock outstanding. In addition, our subsidiaries have no obligation to pay any amounts on the series A perpetual strike preferred stock. If any of our subsidiaries liquidates, dissolves or winds up, whether voluntarily or involuntarily, then we, as a direct or indirect common equity owner of that subsidiary, will be subject to the prior claims of that subsidiary's creditors, including trade creditors and preferred equity holders, if any. We may never receive any amounts from that subsidiary, and, accordingly, the assets of that subsidiary may never be available to make payments on the series A perpetual strike preferred stock. We may not have sufficient funds to pay dividends in cash on our series A perpetual strike preferred stock, or we may choose not to pay dividends on our series A perpetual strike preferred stock and regulatory and contractual restrictions may prevent us from declaring or paying dividends. We expect to fund any dividends paid in cash on our series A perpetual strike preferred stock primarily through additional capital raising activities, including, but not limited to, at-the-market offerings of our class A common stock. However, our ability to declare and pay cash dividends on our series A perpetual strike preferred

stock will depend on many factors, including the following: • our financial condition, including the amount of cash we have on hand collectively; • the amount of cash, if any, generated by our operations and financing activities (including our ability to raise additional capital from the equity capital markets on favorable terms or at all); • our anticipated financing needs, including the amounts needed to service our indebtedness or other obligations; • the degree to which we decide to reinvest any cash generated by our operations or financing activities to fund our future operations; • the ability of our subsidiaries to distribute funds to us; • regulatory restrictions on our ability to pay dividends, including under the Delaware General Corporation Law; • our ability to sell equity securities under new at-the-market offering programs; and • contractual restrictions on our ability to pay dividends. In addition, subject to a limited exception, our board of directors may choose not to pay accumulated dividends on our series A perpetual strike preferred stock for any reason. Accordingly, we may pay less than the full amount of accumulated dividends on our series A perpetual strike preferred stock. In addition, if we fail to declare and pay accumulated dividends on our series A perpetual strike preferred stock in full, then the value of our series A perpetual strike preferred stock will likely decline. Provisions contained in the instruments governing our future indebtedness may restrict or prohibit us from paying cash dividends on our series A perpetual strike preferred stock. If the terms of our indebtedness restrict or prohibit us from paying dividends, then we may seek to refinance that indebtedness or seek a waiver that would permit the payment of dividends. However, we may be unable or may choose not to refinance the indebtedness or obtain a waiver. Under the Delaware General Corporation Law, we may declare dividends on our series A perpetual strike preferred stock only out of our “surplus” (which generally means our total assets less total liabilities, each measured at their fair market values, less statutory capital), or, if there is no surplus, out of our net profits for the current or the immediately preceding fiscal year. We may not have sufficient surplus or net profits to declare and pay dividends on our series A perpetual strike preferred stock in cash. If we are unable or, if permitted, decide not to pay accumulated dividends on our series A perpetual strike preferred stock in cash, then we may, but are not obligated, subject to a limited exception, to elect to pay dividends in shares of our class A common stock. However, the payment of dividends in shares of our class A common stock will cause dilution to holders of our class A common stock and exposes holders of our series A perpetual strike preferred stock to dilution and the risk of fluctuations in the price of our class A common stock. Additionally, even if we choose to pay dividends on our series A perpetual strike preferred stock in shares of class A common stock, the number of shares of class A common stock that we are permitted to deliver may be limited. If we fail to declare and pay full dividends on our series A perpetual strike preferred stock, then we will be prohibited from paying dividends on our class A common stock and any other junior securities, subject to limited exceptions. Although we do not currently pay dividends on our class A common stock, if we decide to do so in the future, a reduction or elimination of dividends on our class A common stock may cause the trading price of our class A common stock to decline, which, in turn, will likely depress the value of our series A perpetual strike preferred stock. Not all events that may adversely affect the value of our series A perpetual strike preferred stock and our class A common stock will result in an adjustment to the conversion rate of our series A perpetual strike preferred stock. The conversion rate of our series A perpetual strike preferred stock is subject to adjustment for certain events, including: • certain stock dividends, splits and combinations; • the issuance of certain rights, options or warrants to holders of our class A common stock; • certain distributions of assets, debt securities, capital stock or other property to holders of our class A common stock; • cash dividends on our class A common stock; and • certain tender or exchange offers. We are not required to adjust the conversion rate for other events, such as third-party tender offers or an issuance of class A common stock (or securities exercisable for, or convertible into, class A common stock) for cash, that may adversely affect the value of our series A perpetual strike preferred stock and the trading price of our class A common stock. An event may occur that adversely affects the value of our series A perpetual strike preferred stock and the trading price of the underlying shares of our class A common stock but that does not result in an adjustment to the conversion rate. Certain events that can significantly reduce, or eliminate entirely, the option value of the conversion right of our series A perpetual strike preferred stock will not require an adjustment to the conversion rate. For example, if we are party to a business combination transaction pursuant to which our class A common stock is acquired solely for cash, then, our series A perpetual strike preferred stock will become convertible solely into cash, which will eliminate the time value, and may harm the option value, of the conversion right of our series A perpetual strike preferred stock. Similarly, a de-listing of our class A common stock will likely severely reduce the liquidity of the market for our class A common stock and the volatility of the trading price of our class A common stock, which, in turn, will likely reduce the option value of the conversion right of our series A perpetual strike preferred stock significantly. None of these, or certain other, events will, in themselves, require an adjustment to the conversion rate to compensate preferred stockholders for their lost option value. Many convertible instruments contain “make-whole” provisions that adjust the conversion rate in a manner that is designed to compensate investors for lost option value upon the occurrence of specified events. Our series A perpetual strike preferred stock does not contain such a provision. Accordingly, we may engage in transactions that significantly reduce the option value of the conversion right of our series A perpetual strike preferred stock without a corresponding adjustment to the conversion rate. Our series A perpetual strike preferred stock has only limited voting rights. Our series A perpetual strike preferred stock confers no voting rights except with respect to certain dividend arrearages, certain amendments to the terms of our series A perpetual strike preferred stock, and certain other limited circumstances, and except as required by the Delaware General Corporation Law. Holding series A perpetual strike preferred stock does not confer the right to vote on an as-converted basis with holders of our class A common stock on matters on which our class A common stockholders are entitled to vote. For example, holders of perpetual strike preferred stock, as such, do not have the right to vote in the general election of our directors, although those holders will

have a limited right, voting together with holders of any voting parity stock, if any, with similar voting rights regarding the election of directors upon a failure to pay dividends, which similar voting rights are then exercisable, to elect one director upon the occurrence of each of the following events: (i) if less than the full amount of accumulated and unpaid regular dividends on the outstanding series A perpetual strike preferred stock have been declared and paid in respect of each of four or more consecutive regular dividend payment dates; and (ii) if less than the full amount of accumulated and unpaid regular dividends on the outstanding series A perpetual strike preferred stock have been declared and paid in respect of eight or more consecutive regular dividend payment dates. Accordingly, the voting provisions of our series A perpetual strike preferred stock may not afford meaningful protections. We may issue preferred stock in the future that ranks equally with or senior to our series A perpetual strike preferred stock with respect to dividends and liquidation rights, which may adversely affect the rights of holders of our series A perpetual strike preferred stock and our class A common stock. Without the consent of any holder of our series A perpetual strike preferred stock or class A common stock, we may authorize and issue preferred stock (including additional series A perpetual strike preferred stock) that ranks equally with or senior to our series A perpetual strike preferred stock with respect to the payment of dividends or the distribution of assets upon our liquidation, dissolution or winding up. If we issue any such preferred stock in the future, the rights of holders of our series A perpetual strike preferred stock and our class A common stock will be diluted and the value of our series A perpetual strike preferred stock and class A common stock may decline. For example, if we issue any dividend senior stock in the future, such dividend senior stock could contain provisions that prohibit us from paying accumulated dividends on our series A perpetual strike preferred stock or purchasing, redeeming or acquiring our series A perpetual strike preferred stock until and unless we first pay accumulated dividends in full on such dividend senior stock. The issuance of any dividend senior stock in the future would also have the effect of further subordinating our class A common stock. Future sales or other dilution of our class A common stock, including other equity- related securities, could dilute our existing stockholders or otherwise depress the market price of our class A common stock and the value of our series A perpetual strike preferred stock. Future sales of our class A common stock in the public market, or the perception that such sales could occur, or the issuance of class A common stock upon the conversion of our series A perpetual strike preferred stock could negatively impact the market price of our class A common stock, and, accordingly, the value of our series A perpetual strike preferred stock. The terms of our series A perpetual strike preferred stock do not restrict our ability to issue additional series A perpetual strike preferred stock, class A common stock or other equity- related securities in the future. Future sales or issuances of class A common stock, series A perpetual strike preferred stock or other equity- related securities could be dilutive to holders of our class A common stock and series A perpetual strike preferred stock and could adversely affect their voting and other rights and economic interests. If we issue additional shares of our series A perpetual strike preferred stock, shares of class A common stock (including as payment for regular dividends on our series A perpetual strike preferred stock), or other equity- related securities, the price of our class A common stock and the value of our series A perpetual strike preferred stock may decline. We cannot predict the size of future issuances of our class A common stock or other securities or the effect, if any, that the issuance of our series A perpetual strike preferred stock, and future sales and issuances of our class A common stock and other securities would have on the market price of our class A common stock and the value of our series A perpetual strike preferred stock. In addition, the existence of our series A perpetual strike preferred stock may encourage short selling by market participants because the conversion of our series A perpetual strike preferred stock could be used to satisfy short positions, or anticipated conversion of our series A perpetual strike preferred stock into shares of class A common stock could depress the price of our class A common stock. The sale or the availability for sale of a large number of shares of class A common stock in the public market could cause the market price of our class A common stock to decline. Recent and future regulatory actions, changes in market conditions and other events may adversely affect the trading price and liquidity of our series A perpetual strike preferred stock and the ability of investors to implement a convertible arbitrage trading strategy. We expect that holders of our perpetual strike preferred stock may seek to employ a convertible arbitrage strategy. Under this strategy, investors typically sell short a certain number of shares of our class A common stock and adjust their short position over time while they continue to hold our series A perpetual strike preferred stock. Investors may also implement this type of strategy by entering into swaps on our class A common stock in lieu of, or in addition to, short selling shares of our class A common stock. The SEC and other regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules and take other actions, that may impact those engaging in short selling activity involving equity securities (including our class A common stock). These rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc., and the national securities exchanges of a “limit up- limit down” program, the imposition of market- wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010. Any governmental or regulatory action that restricts investors’ ability to effect short sales of our class A common stock or enter into equity swaps on our class A common stock could depress the trading price of, and the liquidity of the market for, our series A perpetual strike preferred stock. In addition, the liquidity of the market for our class A common stock and other market conditions could deteriorate, which could reduce, or eliminate entirely, the number of shares available for lending in connection with short sale transactions and the number of counterparties willing to enter into an equity swap on our class A common stock with an investor of our series A perpetual strike preferred stock. These and other market events could make implementing a convertible arbitrage strategy prohibitively expensive or infeasible. If investors seeking to employ a convertible arbitrage strategy are unable to do so on commercial terms, or at all, then the trading price of, and the

liquidity of the market for, our series A perpetual strike preferred stock may significantly decline. Holders of series A perpetual strike preferred stock may be treated as receiving deemed distributions and / or receive distributions paid in class A common stock, and consequently may be subject to tax with respect to our series A perpetual strike preferred stock under certain circumstances, even though no corresponding distribution of cash has been made Under Section 305 of the Internal Revenue Code of 1986, as amended (the “ Code ”), holders of our series A perpetual strike preferred stock may be treated as receiving a deemed distribution on our series A perpetual strike preferred stock under certain circumstances, including (i) an increase in the liquidation preference of our series A perpetual strike preferred stock or (ii) if our series A perpetual strike preferred stock is issued at a discount. If our board of directors does not declare a dividend on our series A perpetual strike preferred stock in respect of any dividend period before the related dividend payment date, the deferred dividend may be treated as an increase in the liquidation preference of our series A perpetual strike preferred stock that gives rise to a deemed dividend to holders of our series A perpetual strike preferred stock. Although the matter is not entirely clear, we believe such deferred dividend or discount should not be treated as giving rise to a deemed distribution on our series A perpetual strike preferred stock. However, there is no assurance that the IRS or an applicable withholding agent will not take a contrary position. In addition, the conversion rate of our series A perpetual strike preferred stock is subject to adjustment in certain circumstances. If and to the extent that certain adjustments in the conversion rate (or failures to adjust the conversion rate) increase the proportionate interest of a holder of our series A perpetual strike preferred stock in our assets or earnings and profits, the holder of our series A perpetual strike preferred stock may be deemed to have received for U. S. federal income tax purposes a deemed distribution without the receipt of any cash or property. Furthermore, upon a conversion of our series A perpetual strike preferred stock into shares of our class A common stock, depending on the circumstances, any class A common stock received in respect of any deferred and unpaid dividend (and any dividend that has been declared and not yet paid as well as any accrued but unpaid dividend in the then- current dividend period) could be treated as a deemed distribution for U. S. federal income tax purposes. Any deemed distribution or any distribution to holders of our series A perpetual strike preferred stock that is paid in shares of our class A common stock will generally be taxable to the same extent as a cash distribution. In addition, for any holder of our series A perpetual strike preferred stock that is a non- U. S. holder, any deemed distribution or non- cash distribution could be subject to U. S. federal withholding tax at a 30 % rate, or such lower rate as may be specified by an applicable treaty. Because deemed distributions or non- cash distributions received by a holder of our series A perpetual strike preferred stock would not give rise to any cash from which any applicable withholding tax could be satisfied, if we (or an applicable withholding agent) pay withholding (including backup withholding) on behalf of a holder of our series A perpetual strike preferred stock, we (or an applicable withholding agent) may set off any such payment against, or withhold such taxes from, payments of cash or delivery of shares of our class A common stock to such holder of our series A perpetual strike preferred stock (or, in some circumstances, any payments on our class A common stock) or sales proceeds received by, or other funds or assets of, such holder of our series A perpetual strike preferred stock, or require alternative arrangements (e. g., deposit for taxes prior to delivery of such dividend in the form of shares of our class A common stock or of conversion consideration). The application of the rules under Section 305 of the Code to our series A perpetual strike preferred stock is uncertain, and holders of perpetual strike preferred stock should consult their tax advisors about the impact of these rules in their particular situations. Holders of our series A perpetual strike preferred stock may not be entitled to the dividends- received deduction or preferential tax rates applicable to qualified dividend income Distributions paid to corporate U. S. holders may be eligible for the dividends- received deduction and distributions paid to non- corporate U. S. holders may be subject to tax at the preferential tax rates applicable to “ qualified dividend income ” if we have current or accumulated earnings and profits, as determined for U. S. federal income tax purposes and certain holding period and other requirements are met. We may not have sufficient current or accumulated earnings and profits during any fiscal year for the distributions on our series A perpetual strike preferred stock to qualify as dividends for U. S. federal income tax purposes. If any distributions on our series A perpetual strike preferred stock with respect to any fiscal year are not eligible for the dividends- received deduction or for the preferential tax rates applicable to “ qualified dividend income ” because of insufficient current or accumulated earnings and profits, the market value of our series A perpetual strike preferred stock may decline. The tax rules applicable to “ fast- pay stock ” could result in adverse consequences to holders of perpetual strike preferred stock Under Treasury Regulations promulgated under Section 7701 (l) of the Code (the “ Fast- Pay Stock Regulations ”), if stock of a corporation is structured such that dividends paid with respect to the stock are economically (in whole or in part) a return of the stockholder’ s investment (rather than a return on the stockholder’ s investment), then the stock is characterized as “ fast- pay stock ” and is subject to adverse tax reporting requirements and potentially penalties. In addition, under the Fast- Pay Stock Regulations, unless clearly demonstrated otherwise, stock is presumed to be fast- pay stock if it is structured to have a dividend that is reasonably expected to decline (as opposed to a dividend rate that is reasonably expected to fluctuate or remain constant) (for such purpose, the dividend rate may be viewed as reasonably expected to decline if we are reasonably expected to stop paying regular dividends on our series A perpetual strike preferred stock) or is issued for an amount that exceeds (by more than a de minimis amount, as determined under applicable Treasury Regulations) the amount at which the stockholder can be compelled to dispose of the stock. It is not clear what amount would constitute “ de minimis ” in the case of stock with a perpetual term. We do not believe that our previously issued series A perpetual strike preferred stock is fast- pay stock. We may issue additional shares of our series A perpetual strike preferred stock (or resell any shares that we or any of our subsidiaries have purchased or otherwise acquired) (such additional or resold shares, the “ Additional Shares ”). We do not intend to issue any Additional Shares that would be treated as fast- pay stock. Moreover, we intend to

obtain advice of counsel in connection with future offerings of Additional Shares for the purpose of analyzing the consequences of issuing such Additional Shares in light of any legal developments regarding the definition of fast-pay stock. It is possible, however, that Additional Shares may be issued at a premium above their liquidation preference. Based on the expected overall circumstances of an offering of Additional Shares (such as our general expectation that the value of the conversion option would, at issuance, exceed the amount of any such premium and certain other factors), we do not believe that such premium would be attributable to dividends that are economically a return of a stockholder's investment. Nonetheless, there may be increased risk that the IRS could assert that such Additional Shares constitute fast-pay stock. Transactions involving fast-pay stock arrangements are treated as "listed transactions" for U. S. federal income tax purposes. Issuers and holders of any shares of fast-pay stock would be required to report their participation in the transaction on IRS Form 8886 on an annual basis with their U. S. federal income tax returns and would also be required to mail a copy of that form to the IRS Office of Tax Shelter Analysis. Failure to comply with those disclosure requirements could result in the assessment by the IRS of interest, additions to tax and onerous penalties. In addition, an accuracy-related penalty applies under the Code to any reportable transaction understatement attributable to a listed transaction if a significant purpose of the transaction is the avoidance or evasion of U. S. federal income tax. Furthermore, certain material advisors would also be required to file a disclosure statement with the IRS. If we determine that we are required to file an IRS Form 8886 (including a protective filing) in connection with the potential issuance of fast-pay stock with respect to our previously issued series A perpetual strike preferred stock or Additional Shares, we intend to provide public notice to the holders of our series A perpetual strike preferred stock or Additional Shares, as applicable, which notice may be by a press release, by publication on our investor relations website, or by filing a current report on Form 8-K with the Securities and Exchange Commission. Notwithstanding our intent not to issue Additional Shares that would be fast-pay stock, the rules regarding the definition of fast-pay stock are unclear in certain respects and, therefore, the IRS could disagree with our determination and treat such Additional Shares as fast-pay stock. In addition, even though we believe that our series A perpetual strike preferred stock is not fast-pay stock, treatment of the Additional Shares as fast-pay stock could result in adverse consequences to holders of our series A perpetual strike preferred stock because such Additional Shares may be indistinguishable from our previously issued our series A perpetual strike preferred stock. Accordingly, holders of series A perpetual strike preferred stock are strongly urged to consult their tax advisors regarding the Fast-Pay Stock Regulations and their potential consequences to an investment in our series A perpetual strike preferred stock. A future issuance of Additional Shares could have an adverse tax profile, which could subject holders of our previously issued series A perpetual strike preferred stock to adverse consequences. If we issue Additional Shares that have a different, and potentially adverse, tax profile or treatment for U. S. federal income tax purposes from our series A perpetual strike preferred stock, since such Additional Shares would trade under the same CUSIP or other identifying number as that of our series A perpetual strike preferred stock, our series A perpetual strike preferred stock may be treated by subsequent purchasers, withholding agents and potentially the IRS as having the same profile or treatment as such Additional Shares if our previously issued series A perpetual strike preferred stock is not otherwise distinguishable from the Additional Shares. For example, notwithstanding our intent not to issue any Additional Shares that are fast-pay stock, the IRS could assert that such Additional Shares constitute fast-pay stock, particularly if they are issued at a premium to their liquidation preference. Furthermore, if any Additional Shares are issued at a price that exceeds their liquidation preference, such Additional Shares would constitute "disqualified preferred stock" within the meaning of Section 1059 (f) (2) of the Code and any corporate U. S. holder generally will be required to reduce its tax basis (but not below zero) in our series A perpetual strike preferred stock by the amount of any dividends- received deduction it receives. If Additional Shares issued are considered disqualified preferred stock, our previously issued series A perpetual strike preferred stock could also be subject to same treatment as a practical matter due to fungible trading. If any Additional Shares are sold at a discount (or at a discount that exceeds the discount that applies to our previously issued series A perpetual strike preferred stock), such Additional Shares may be subject to rules that require the accrual of such discount (or such greater discount) currently over the deemed term of the Additional Shares as deemed distributions under U. S. tax rules similar to those governing original issue discount for debt instruments. In that event, the IRS or a withholding agent may treat any such discount as resulting in deemed taxable distributions with respect to our previously issued series A perpetual strike preferred stock as well as such Additional Shares. Because the IRS or other parties (such as withholding agents) may not be able to distinguish between our previously issued series A perpetual strike preferred stock and the Additional Shares, a holder of series A perpetual strike preferred stock might be subject to adverse tax consequences or might be required to demonstrate to the IRS (or such other parties) that the holder purchased our series A perpetual strike preferred stock as opposed to such Additional Shares. Moreover, any adverse tax consequences as described above in connection with the future issuance of Additional Shares may adversely affect the market value of our series A perpetual strike preferred stock. Provisions of our series A perpetual strike preferred stock could delay or prevent an otherwise beneficial takeover of us. Certain provisions in our series A perpetual strike preferred stock could make a third-party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a fundamental change, then, subject to certain exceptions, preferred stockholders will have the right to require us to repurchase their series A perpetual strike preferred stock for cash. These fundamental change provisions could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that preferred stockholders or holders of our class A common stock may view as favorable. The accounting method for our series A perpetual strike preferred stock may result in lower reported net earnings attributable to common stockholders and lower reported diluted earnings per share. The accounting method for reflecting the

conversion and other provisions of our series A perpetual strike preferred stock in our financial statements may adversely affect our reported earnings. We expect that applicable accounting standards may require us to separately account for the tax redemption feature associated with our series A perpetual strike preferred stock as an embedded derivative. Under this treatment, the embedded derivative would be measured at its fair value and accounted for separately as a liability that is marked- to- market at the end of each reporting period. For each financial statement period after the issuance of our series A perpetual strike preferred stock, a gain or loss would be reported in our statement of operations to the extent the valuation of the embedded derivative changes from the previous period. This accounting treatment may subject our reported net income (loss) to significant non- cash volatility. In addition, we expect that the if- converted method will apply to reflect our series A perpetual strike preferred stock in the calculation of our diluted earnings per share. Under this method, we expect that diluted earnings per share will be calculated assuming that our series A perpetual strike preferred stock is converted at the beginning of the reporting period (or, if later, the time our series A perpetual strike preferred stock is issued). However, this calculation will not be made if reflecting our series A perpetual strike preferred stock in diluted earnings per share in this manner is anti- dilutive. Accordingly, the application of the if- converted method to our series A perpetual strike preferred stock may result in lower reported diluted earnings per share. Furthermore, we have not reached a final determination regarding the accounting treatment for our series A perpetual strike preferred stock, and the description above is preliminary. In addition, accounting standards may change in the future. Accordingly, we may account for our series A perpetual strike preferred stock in a manner that is significantly different than described above. Holding series A perpetual strike preferred stock does not, in itself, confer any rights with respect to our class A common stock. Holding series A perpetual strike preferred stock does not confer any rights with respect to our class A common stock (including the voting rights of, and rights to receive any dividends or other distributions on, our class A common stock). However, holders of our series A perpetual strike preferred stock are subject to all changes affecting our class A common stock to the extent the value of our series A perpetual strike preferred stock depends on the market price of our class A common stock and to the extent they receive shares of our class A common stock upon conversion of our series A perpetual strike preferred stock. For example, if we propose an amendment to our charter documents that requires the approval of our class A common stockholders but not the approval of the preferred stockholders, then holders of any perpetual strike preferred stock will not, as such, be entitled to vote on the amendment, although those holders will be subject to any changes implemented by that amendment in the powers, preferences or special rights of our class A common stock. Our level and terms of indebtedness could adversely affect our ability to raise additional capital to further execute on our bitcoin strategy, fund our enterprise analytics software operations, and take advantage of new business opportunities. As of December 31, 2025-2024, we had \$ 7.274 billion aggregate indebtedness, consisting of \$ 1.05 billion aggregate principal amount of 2027 Convertible Notes, the “\$ 1.01 billion aggregate principal amount of 2028 Convertible Notes”), \$ 500-3.0 billion aggregate principal amount of 2029 Convertible Notes, \$ 800.0 million aggregate principal amount of 2030 Convertible 6.125% Senior Secured Notes due 2028 (the “2028 Secured, \$ 603.8 million aggregate principal amount of 2031 Convertible Notes”), and \$ 10-800.3-0 million aggregate principal amount of 2032 Convertible Notes, and \$ 9.8 million of other long- term indebtedness. We refer herein to the 2027 Convertible Notes, 2028 Convertible Notes, 2029 Convertible Notes, 2030 Convertible Notes, 2031 Convertible Notes, and 2032 Convertible Notes, collectively, as the “Convertible Notes.” As of December 31, 2024, our annual contractual interest expense relating to our Convertible Notes was \$ 34.6 million. Our substantial indebtedness and interest expense could have important consequences to us, including: • limiting our ability to use a substantial portion of our cash flow from operations in other areas of our business, including for acquisition of additional bitcoin, working capital, research and development, expanding our infrastructure, capital expenditures, and other general business activities and investment opportunities in our company, because we must dedicate a substantial portion of these funds to pay interest on and / or service our debt; • limiting our ability to obtain additional financing in the future for acquisition of additional bitcoin, working capital, capital expenditures, debt service, acquisitions, execution of our strategy, and other expenses or investments planned by us; • limiting our flexibility and our ability to capitalize on business opportunities and to react to competitive pressures and adverse changes in government regulation, our business, and our industry; • increasing our vulnerability to a downturn in our business and to adverse economic and industry conditions generally; • placing us at a competitive disadvantage as compared to our competitors that are less leveraged; and • limiting our ability, or increasing the costs, to refinance indebtedness. We may be unable to service our indebtedness, which could cause us to default on our debt obligations and could force us into bankruptcy or liquidation. Our ability to make scheduled payments on and to refinance our indebtedness depends on and is subject to our financial and operating performance, which is influenced, in part, by general economic, financial, competitive, legislative, regulatory, counterparty business, and other risks that are beyond our control, including the availability of financing in the U. S. banking and capital markets. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital, or restructure or refinance our indebtedness. We cannot assure you that future borrowings will be available to us in an amount sufficient to enable us to service our indebtedness, to refinance our indebtedness, or to fund our other liquidity needs. Even if refinancing indebtedness is available, any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants that could further restrict our business operations. In addition, our bitcoin acquisition strategy anticipates that we may issue additional debt in future periods to finance additional purchases of bitcoin, but if we are unable to generate sufficient cash flow to service our debt and make necessary capital expenditures, we may be required to sell bitcoin. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations or our financial covenants, which could cause us to default on our debt obligations. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a

reduction of our credit rating, which could harm our ability to incur additional indebtedness. Upon the occurrence of an event of default under any of our indebtedness, the holders of the defaulted indebtedness could elect to declare all the funds borrowed to be due and payable, together with accrued and unpaid interest and, in the case of our 2028 Secured Notes, enforce their security interests on substantially all of our assets and the assets of our subsidiary guarantors, but excluding bitcoins that are currently owned by MacroStrategy LLC, a wholly-owned subsidiary of MacroStrategy Incorporated, (“MacroStrategy”), or acquired by MacroStrategy in future periods in transactions permitted by the terms of the 2028 Secured Notes. Any of these events could in turn result in cross-defaults under our other indebtedness. We may not have sufficient funds available to pay the amounts due upon any such default, particularly in the event that there has been a decrease in the market value of our bitcoin holdings, and we may not be able to raise additional funds to pay such amounts on a timely basis, on terms we find acceptable, or at all. Any financing that we may undertake under such circumstances could result in substantial dilution of our existing stockholders, and in the absence of being able to obtain such financing, we could be forced into bankruptcy or liquidation. **The indenture governing We may not have the ability to raise the funds necessary to settle conversions of the Convertible Notes in cash or to repurchase the Convertible Notes for cash upon a fundamental change or to repurchase the 2028 Secured Convertible Notes imposes significant operating and financial restrictions on September 15 us and certain subsidiaries of ours, which may prevent us from capitalizing 2027, the 2029 Convertible Notes on June 1, business opportunities The indenture governing our 2028 Secured, the 2030 Convertible Notes or the 2031 Convertible Notes imposes significant operating and financial restrictions on September 15, us and certain designated Restricted Subsidiaries (as defined in the indenture for the 2028 Secured, or the 2032 Convertible Notes). These restrictions limit our ability, and the ability of such restricted subsidiaries, to, among other things: • incur or guarantee additional debt or issue disqualified stock or certain preferred stock; • create or incur liens; • pay dividends, redeem stock, or make certain other distributions; • make certain investments; • create restrictions on June 15 the ability of our Restricted Subsidiaries to pay dividends to us or make other intercompany transfers; • transfer or sell assets; • merge or consolidate; and • enter into certain transactions with affiliates. As a result of these restrictions, 2029, we are limited as to how we conduct our business and we may be unable to raise additional indebtedness or conduct equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future debt indebtedness we may incur could include more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain contain waivers from the lenders or amend the covenants. Our failure to comply with the restrictive covenants described above, limitations as well as other terms of our indebtedness or the terms of any future indebtedness from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date, the liquidation of our assets serving as collateral and / or potential insolvency proceedings. If we are forced to refinance these borrowings on less favorable terms or our if we cannot refinance these borrowings, ability to engage in cash- settled conversions our or results repurchases of operations and financial condition could be adversely affected. We may be required to repay the 2028 Secured Notes prior to their stated maturity date, if the springing maturity feature is triggered. The 2028 Secured Notes have a stated maturity date of June 15, 2028, but include a springing maturity feature that will cause the stated maturity date to spring ahead to the date that is (i) 91 days prior to the existing maturity date of the 2025 Convertible Notes In connection with any conversion (which is September 15, 2025), (ii) 91 days prior to the existing maturity date of the 2027 Convertible Notes, unless we elect (or have previously irrevocably elected which is November 16, 2026) ; to deliver solely shares of or our class A common stock to settle such conversion (iii other than paying cash in lieu of delivering any fractional share) the maturity date of any future convertible debt that we may issue that is then outstanding, unless on such dates we meet specified liquidity requirements or less than \$ 100, 000, 000 of aggregate principal amount of the 2025 Convertible Notes, the 2027 Convertible Notes, or such future convertible debt, as applicable, remains outstanding. If such springing maturity feature is triggered, we will be required to make cash payments in respect pay all amounts outstanding under the 2028 Secured Notes sooner than they would otherwise be due, we may not have sufficient funds available to pay such amounts at that time, and we may not be able to raise additional funds to pay such amounts on a timely basis, on terms we find acceptable, or at all. We may not be able to finance required repurchases of the 2028 Secured Notes or the Convertible Notes being converted. However, any future debt may contain limitations on our ability to (i) pay cash upon a change conversion or redemption of control the Convertible Notes, which may require us to elect to deliver solely shares of or our a fundamental change class A common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), or (ii) sell certain bitcoin to generate cash that can be used to make such cash payments. Upon a change of control or a fundamental change as defined in the indentures governing the 2028 Secured Notes and the Convertible Notes, the holders of such notes will have the right to require us to offer to purchase all of the applicable notes then outstanding at a price equal to 101-100 % of the principal amount of the 2028 Secured Notes and 100 % of the principal amount of the Convertible Notes, respectively, plus, in each case, accrued and unpaid interest, if any, to, but excluding, the repurchase date. Moreover, the exercise by holders of the Convertible Notes of their right to require us to repurchase such Convertible Notes could cause a default under future debt agreements, even if the change of control or fundamental change itself does not, due to the financial effect of such repurchase on us. In order to obtain sufficient funds to pay the purchase price of such notes, we expect that we would have to refinance the Convertible notes Notes or obtain a waiver from the applicable holders of Convertible Notes and we may not be able to refinance the Convertible notes Notes on reasonable terms, if at all. Our Absent a waiver from the applicable holders of Convertible Notes, our failure to offer to purchase all applicable Convertible notes Notes or to purchase all validly tendered Convertible notes Notes would be an event of default under the indentures governing the 2028 Secured Notes and the Convertible Notes. In addition If a change of control or a fundamental change occurs, holders of (i) we may not have enough assets to satisfy all obligations under the indentures governing the 2028 Secured Notes and the Convertible Notes. Upon have the right to require us to repurchase all or a**

portion of the ~~their~~ occurrence of a change of control or a fundamental change we could seek to refinance the indebtedness under the 2028 Secured Notes ~~notes~~ or on September 15, 2027, (ii) the 2029 Convertible Notes **have the right to require us to repurchase all** or obtain a waiver from **portion of the their** applicable note holders. However, we may not be able to obtain a waiver or refinance the applicable notes on **June 1** commercially reasonable terms, if at all. Moreover, the exercise by holders of the 2028 Secured Notes or, (iii) the 2030 Convertible Notes of **and their-- the 2031 Convertible Notes have the** right to require us to repurchase **such all or a portion of their** notes could cause a default under future debt agreements, even if the change of control or fundamental change itself does not, due to the financial effect of such repurchase on us. We may not have **September 15, 2028, and (iv) the 2032** ability to raise the funds necessary to settle for cash conversions of the Convertible Notes. Upon conversion of the 2025 Convertible Notes or the 2027 Convertible Notes, unless we elect (or have **the right** previously irrevocably elected) to deliver solely shares of **require us to repurchase all our-- or a portion** class A common stock to settle the conversion of such Convertible Notes (other ~~their~~ **than paying notes on June 15, 2029, in each cash case in lieu, at a repurchase price equal to 100 %** of delivering **the principal amount of the notes to be repurchased, plus accrued and unpaid interest, if** any fractional share), we will be required to make cash payments in respect of the applicable Convertible Notes being converted as described in the applicable indenture. However, we may not have enough available cash or be able to obtain financing at the time we are required to pay cash with respect to such notes being converted. In addition, our ability to pay cash upon conversions of the Convertible Notes may be limited by law, regulatory authority, the covenants contained in the indenture governing the 2028 Secured Notes, or agreements governing any future indebtedness. Our failure to pay any cash payable on future conversions of the Convertible Notes as required by the respective indentures would constitute a default under the indenture for that series of Convertible Notes and could also lead to a default under the indenture for the other series of Convertible Notes or the 2028 Secured Notes. A default under any indenture could also lead to a default under agreements governing any future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness. The conditional conversion feature of the Convertible Notes, if triggered, may adversely affect our financial condition and operating results. In the event the conditional conversion feature of ~~either the 2025 Convertible Notes or the 2027 Convertible Notes~~ is triggered, holders of the applicable Convertible Notes will be entitled to convert such notes at any time during specified periods at their option. If one or more holders elect to convert their Convertible Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our class A common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity.

Furthermore ~~In addition~~, even if holders do not elect to convert their Convertible Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the applicable Convertible Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital. We **use** ~~rely on the receipt of~~ funds from our subsidiaries in order to meet our cash needs and service our indebtedness, including the 2028 Secured Notes, the Convertible Notes, and our other long-term indebtedness, and certain of our subsidiaries holding digital assets may not provide any dividends, distributions, or other payments to us to fund our obligations and meet our cash needs. We **receive** ~~depend on~~ dividends, distributions, and other payments from our subsidiaries to fund our obligations, including those arising under ~~the 2028 Secured Notes, the~~ Convertible Notes, and our other long-term indebtedness, and meet our cash needs. The operating results of our subsidiaries at any given time may not be sufficient to make dividends, distributions, or other payments to us in order to allow us to make payments on the 2028 Secured Notes, the Convertible Notes, and our other long-term indebtedness. Our wholly-owned subsidiary, MacroStrategy, which holds the bitcoin that we owned prior to the issuance of the 2028 Secured Notes, the bitcoin that MacroStrategy acquired using the proceeds from the 2025 Secured Term Loan, and the bitcoin that MacroStrategy acquired from the proceeds of the sale of our class A shares pursuant to the sales agreements with various sales agents, is not obligated to provide and may in the future be prohibited from providing any dividends, distributions, or other payments to us to fund our obligations and meet our cash needs under such indebtedness. MacroStrategy holds approximately 173,069 bitcoins that, as of December 31, 2023, had a carrying value of \$3.363 billion on our Consolidated Balance Sheet, representing 70.6% of our consolidated total assets at such date. In addition, dividends, distributions, or other payments, as well as other transfers of assets, between our subsidiaries and from our subsidiaries to us may be subject to legal, regulatory, or contractual restrictions, which may materially adversely affect our ability to transfer cash within our consolidated companies and our ability to meet our cash needs and service our indebtedness. Despite our current level of indebtedness, we may ~~be able to~~ incur substantially more indebtedness and enter into other transactions in the future which could further exacerbate the risks related to our indebtedness. **Although Our bitcoin strategy includes acquiring bitcoin using proceeds from equity and debt financings and cash flows from operations. As such, despite our current level of indebtedness, we may incur substantially more indebtedness, and we may enter into the other transactions in the** indenture governing our 2028 Secured Notes contains, and future, **Even if we were to enter into** debt instruments may **financings or other arrangements that** contain ; restrictions on ~~the inurrence of~~ **our ability to incur** additional indebtedness **and entering into certain types of other transactions** , these restrictions are subject to a number of qualifications and exceptions and we may be able **subject to a number of qualifications and exceptions that would allow us** to incur significant additional indebtedness in the future. For example, these restrictions do not prevent us from incurring obligations, such as certain trade payables and operating leases, which do not constitute indebtedness as defined under our debt instruments. To the extent we incur additional indebtedness or other obligations, the risks described herein with respect to our indebtedness may increase significantly.