

MicroStrategy Announces Proposed Private Offering of \$700 Million of Convertible Senior Notes

TYSONS CORNER, Va., September 16, 2024 — MicroStrategy® Incorporated (Nasdaq: MSTR) (“MicroStrategy”) today announced that it intends to offer, subject to market conditions and other factors, \$700 million aggregate principal amount of convertible senior notes due 2028 (the “notes”) in a private offering to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). MicroStrategy also expects to grant to the initial purchasers of the notes an option to purchase, within a 13-day period beginning on, and including, the date on which the notes are first issued, up to an additional \$105 million aggregate principal amount of the notes. The offering is subject to market and other conditions, and there can be no assurance as to whether, when or on what terms the offering may be completed.

The notes will be unsecured, senior obligations of MicroStrategy and will bear interest payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2025. The notes will mature on September 15, 2028, unless earlier repurchased, redeemed or converted in accordance with their terms. Subject to certain conditions, on or after December 20, 2027, MicroStrategy may redeem for cash all or any portion of the notes. If MicroStrategy redeems fewer than all the outstanding notes, at least \$75 million aggregate principal amount of notes must be outstanding and not subject to redemption as of the relevant redemption notice date. Holders of the notes will have the right to require MicroStrategy to repurchase for cash all or any portion of their notes on September 15, 2027. The notes will be convertible into cash, shares of MicroStrategy’s class A common stock, or a combination of cash and shares of MicroStrategy’s class A common stock, at MicroStrategy’s election. Prior to March 15, 2028, the notes will be convertible only upon the occurrence of certain events and during certain periods, and thereafter, at any time until the second scheduled trading day immediately preceding the maturity date. The interest rate, initial conversion rate, and other terms of the notes will be determined at the time of pricing of the offering. MicroStrategy expects that the reference price used to calculate the initial conversion price for the notes will be the U.S. composite volume weighted average price of MicroStrategy’s class A common stock from 1:00 p.m. through 4:00 p.m. Eastern Daylight Time on the date of pricing.

MicroStrategy intends to use the net proceeds from this offering to redeem all \$500.0 million outstanding aggregate principal amount of MicroStrategy’s 6.125% Senior Secured Notes due 2028 (the “Senior Secured Notes”) and to use any balance of the net proceeds to acquire additional bitcoin and for general corporate purposes. On September 16, 2024, MicroStrategy issued a redemption notice pursuant to which the Senior Secured Notes will be redeemed on September 26, 2024 (the “Redemption Date”) at a redemption price equal to 103.063% of the principal amount, plus accrued and unpaid interest, if any, to but excluding the Redemption Date (approximately \$523.8 million in the aggregate), with the redemption of the Senior Secured Notes contingent on the closing and settlement of the sale of the notes. Upon redemption of the Senior Secured Notes, all collateral securing the Senior Secured Notes, including approximately 69,080 bitcoins, will be released.

The notes will be offered and sold to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act. The offer and sale of the notes and the shares of MicroStrategy’s class A common stock issuable upon conversion of the notes, if any, have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction, and the notes and any such shares may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. Any offer of the notes will be made only by means of a private offering memorandum.

This press release shall not constitute an offer to sell, or a solicitation of an offer to buy the notes, nor shall there be any sale of, the notes in any state or jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of any such state or jurisdiction. This press release is not a notice of redemption with respect to the Senior Secured Notes, and any redemption has been or will be made in accordance with the terms of the indenture governing the Senior Secured Notes. There can be no assurances that the offering of the notes, or the redemption of the Senior Secured Notes, will be completed as described herein or at all.

About MicroStrategy Incorporated

MicroStrategy (Nasdaq: MSTR) considers itself the world's first Bitcoin development company. We are a publicly-traded operating company committed to the continued development of the bitcoin network through our activities in the financial markets, advocacy and technology innovation. As an operating business, we are able to use cashflows as well as proceeds from equity and debt financings to accumulate bitcoin, which serves as our primary treasury reserve asset. We also develop and provide industry-leading AI-powered enterprise analytics software that promotes our vision of Intelligence Everywhere, and are using our software development capabilities to develop bitcoin applications. We believe that the combination of our operating structure, bitcoin strategy and focus on technology innovation provides a unique opportunity for value creation.

MicroStrategy and Intelligence Everywhere are either trademarks or registered trademarks of MicroStrategy Incorporated in the United States and certain other countries.

Forward-Looking Statements

Statements in this press release about future expectations, plans, and prospects, as well as any other statements regarding matters that are not historical facts, may constitute "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements relating to the size and timing of the offering, the anticipated use of any proceeds from the offering, including the anticipated redemption of the Senior Secured Notes, and the terms of the notes. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including the uncertainties related to market conditions and the completion of the offering on the anticipated terms or at all, the other factors discussed in the "Risk Factors" section of MicroStrategy's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 6, 2024, and the risks described in other filings that MicroStrategy may make with the Securities and Exchange Commission. Any forward-looking statements contained in this press release speak only as of the date hereof, and MicroStrategy specifically disclaims any obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

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