

Bitcoin: The Digital Gold Rush

Michael Saylor



Note: This presentation accompanied a fireside chat hosted by Sanford C. Bernstein that Michael Saylor participated in on October 9, 2024. The views expressed are Michael's own and may not necessarily reflect the views of MicroStrategy Incorporated. This document does not constitute an offering of any financial instrument or legal, tax, financial, investment or other advice or recommendation.

The Investor Dilemma

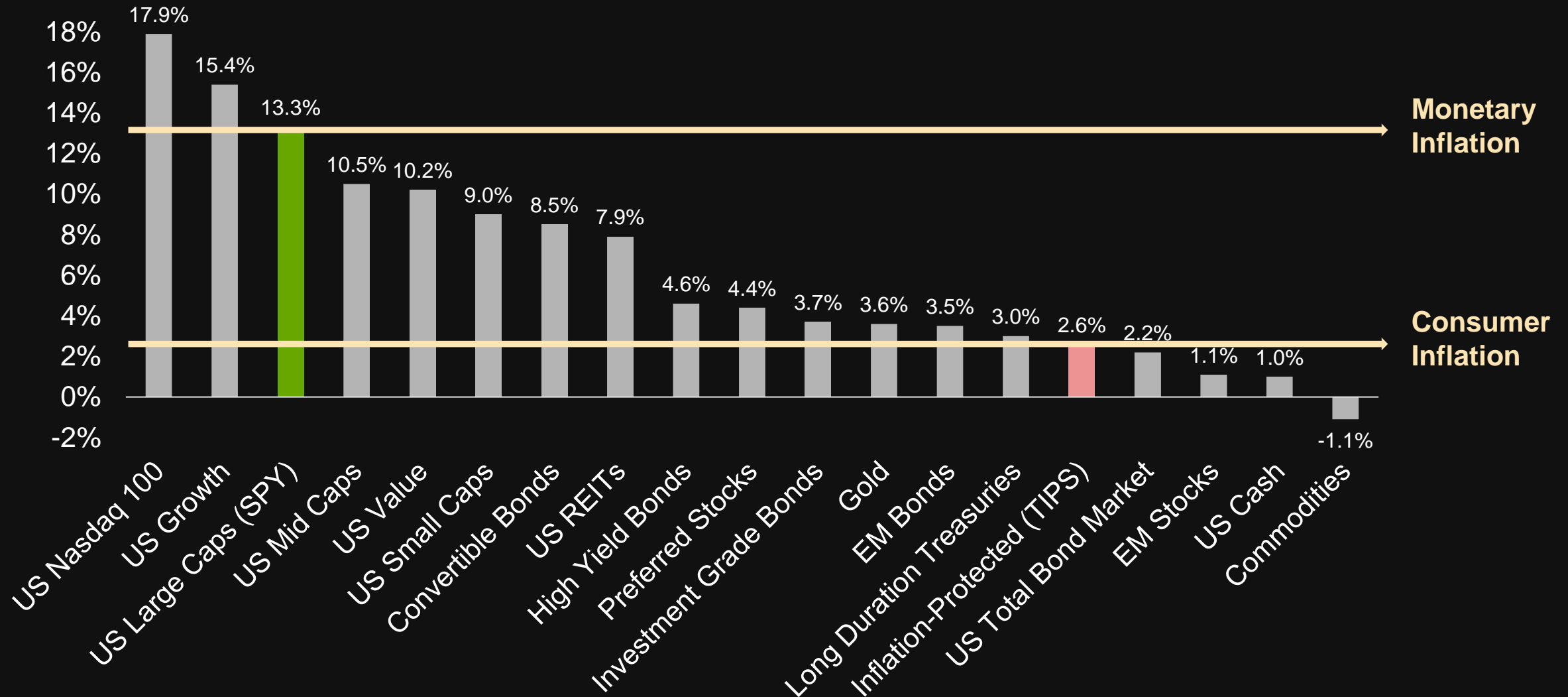
**Nearly all the return in the S&P
500 comes from just 1% of the
companies.**

**A conventional diversified
portfolio underperforms the
Magnificent 7, and most
alternative investments are
illiquid or not scalable.**

Is Bitcoin the Solution?

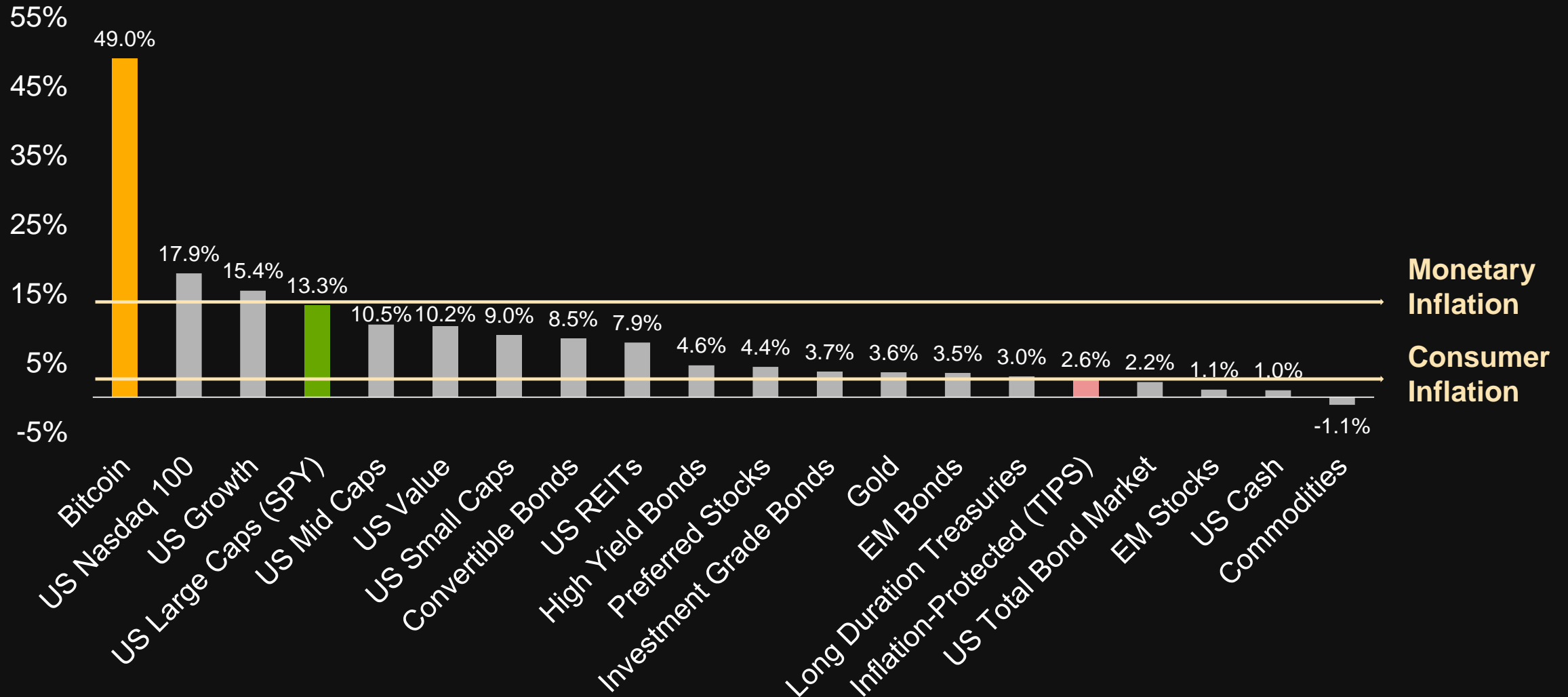
Few Asset Classes Outperform Monetary Inflation

14-year annualized return by asset class (2011 – 2024)



Bitcoin Exceeds Monetary Inflation & Cost of Capital

14-year annualized return by asset class (2011 – 2024) vs. 4 year annualized return of Bitcoin



Bitcoin is the strongest asset for 11 of past 14 years

Bitcoin ARR is 46% 6yr, 78% 8yr, 65% 10yr, 103% 12yr, 168% 14yr.

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (YTD)
Bitcoin 1,319.09%	Bitcoin 217.26%	Bitcoin 5,537.40%	U.S. REITs 30.38%	Bitcoin 33.74%	Bitcoin 123.31%	Bitcoin 1,414.10%	U.S. Bonds 0.01%	Bitcoin 93.95%	Bitcoin 308.17%	Bitcoin 57.25%	Comm- odities 21.23%	Bitcoin 156.89%	Bitcoin 45.60%
Gold 10.10%	EM Equities 18.63%	U.S. Equities 32.39%	U.S. Equities 13.69%	U.S. REITs 2.52%	Comm- odities 19.53%	EM Equities 37.75%	Gold (1.56%)	U.S. Equities 31.49%	Gold 25.12%	U.S. REITs 49.06%	Gold (0.28%)	U.S. Equities 26.29%	U.S. Equities 15.29%
U.S. REITs 8.69%	DM Equities 17.90%	DM Equities 23.29%	U.S. Bonds 5.97%	U.S. Equities 1.38%	U.S. Equities 11.96%	DM Equities 25.62%	U.S. Equities (4.38%)	U.S. REITs 25.84%	EM Equities 18.69%	Comm- odities 42.60%	U.S. Bonds (13.01%)	DM Equities 18.85%	Gold 12.79%
U.S. Bonds 7.84%	U.S. REITs 17.77%	U.S. REITs 2.47%	Gold (1.44%)	U.S. Bonds 0.55%	EM Equities 11.60%	U.S. Equities 21.83%	U.S. REITs (4.57%)	DM Equities 22.66%	U.S. Equities 18.40%	U.S. Equities 28.71%	DM Equities (14.01%)	U.S. REITs 13.74%	EM Equities 7.68%
U.S. Equities 2.11%	U.S. Equities 16.00%	U.S. Bonds (2.02%)	EM Equities (1.82%)	DM Equities (0.39%)	U.S. REITs 8.60%	Gold 13.53%	Comm- odities (11.18%)	EM Equities 18.88%	DM Equities 8.28%	DM Equities 11.78%	U.S. Equities (18.11%)	Gold 13.10%	Comm- odities 6.00%
Comm- odities (2.39%)	Gold 7.06%	EM Equities (2.27%)	DM Equities (4.48%)	Gold (10.41%)	Gold 8.14%	Comm- odities 6.16%	DM Equities (13.36%)	Gold 18.31%	U.S. Bonds 7.51%	U.S. Bonds (1.54%)	EM Equities (19.74%)	EM Equities 10.27%	DM Equities 5.75%
DM Equities (11.73%)	U.S. Bonds 4.22%	Comm- odities (6.55%)	Comm- odities (26.43%)	EM Equities (14.60%)	U.S. Bonds 2.65%	U.S. REITs 5.07%	EM Equities (14.24%)	Comm- odities 12.94%	Comm- odities (7.53%)	EM Equities (2.22%)	U.S. REITs (24.51%)	U.S. Bonds 5.53%	U.S. REITs (0.24%)
EM Equities (18.17%)	Comm- odities 4.16%	Gold (28.28%)	Bitcoin (57.74%)	Comm- odities (26.68%)	DM Equities 1.51%	U.S. Bonds 3.54%	Bitcoin (74.67%)	U.S. Bonds 8.72%	U.S. REITs (7.57%)	Gold (3.64%)	Bitcoin (63.90%)	Comm- odities (5.33%)	U.S. Bonds (0.71%)

Advocates of Bitcoin Believe:

It's digital gold, capital, property.

It's perfect money.

It's the apex digital transformation.

It's a unique diversifier.

It's the ideal capital asset.

It's a revolution in finance.

It's a paradigm shift in economics.

Skeptics of Bitcoin Believe:

**It's too good to be true.
It's money for criminals.
There's no use case.
It's too volatile.
It's backed by nothing.
The government will ban it.
It will be obsolesced.
It will be hacked.**

**Everyone is
against Bitcoin
before they are
for it.**



Journey from Skeptic to Believer



Michael Saylor ⚡



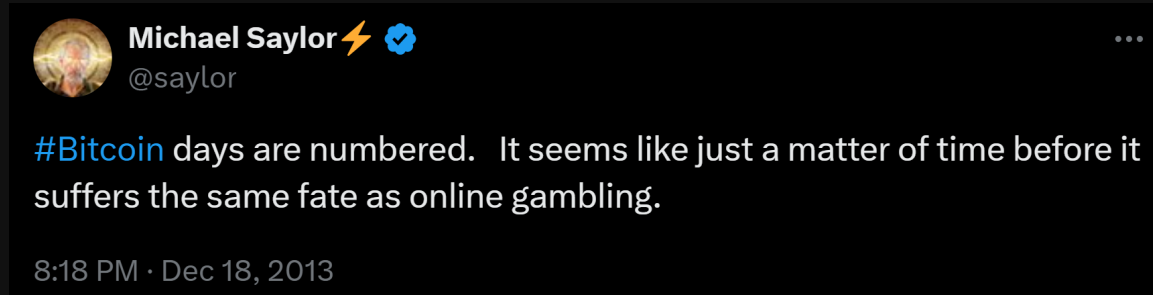
@saylor



[#Bitcoin](#) days are numbered. It seems like just a matter of time before it suffers the same fate as online gambling.

8:18 PM · Dec 18, 2013

Journey from Skeptic to Believer



The Bitcoin Journey

Born a **Denier**

1 hour to **Skeptic**

10 hours to **Trader**

100 hours to **Investor**

1000 hours to **Maximalist**

**Welcome to the 1 hour
Bitcoin Investor
Crash Course.**

Bitcoin requires a return to first principles



**Bitcoin represents the digital
transformation of energy.**

Fire (Early Man)

1.5 Million BC

Discovery of energy that can be extracted from matter and converted into heat and light.



Water (Greek/Roman)

300 BC

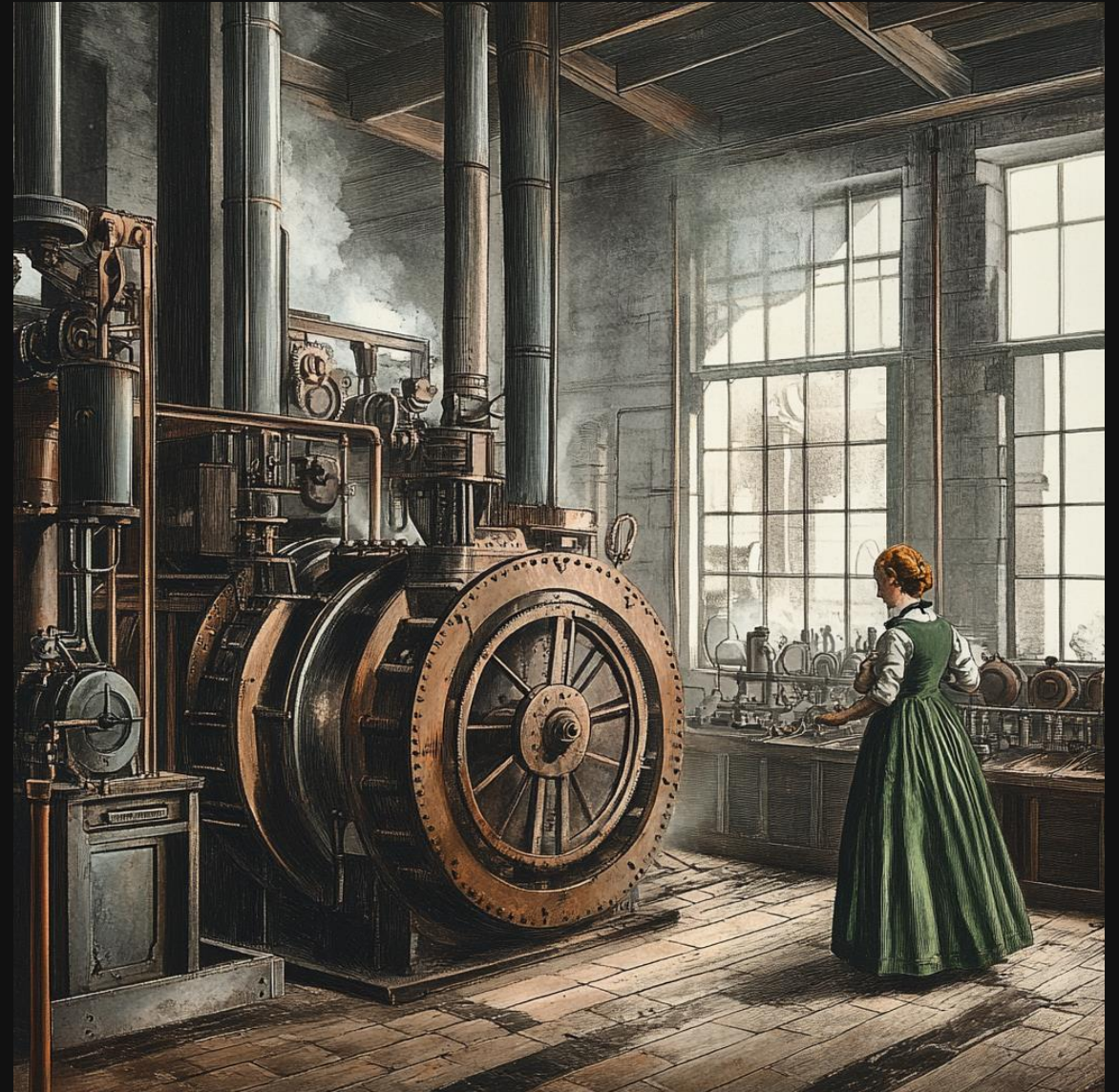
Discovery of a method to extract energy from water flowing downhill and convert it into mechanical power.



Steam (James Watt)

1781 AD

Discovery of method to convert fire into mechanical power for manufacturing and transportation.



Oil (John D. Rockefeller)

1870 AD

Discovery of chemical energy that can be stored, transported, and converted into mechanical, thermal, light, & electrical energy, as well as petroleum products.



Electricity (Thomas Edison)

1882 AD

Discovery of electrical energy that can be channeled cleanly & silently over long distances and converted into mechanical, heat, light, and sound energy.



Fission (Enrico Fermi)

1942 AD

Discovery of a method to create controlled nuclear chain reactions, leading to nuclear reactors & nuclear weapons.



Bitcoin (Satoshi Nakamoto)

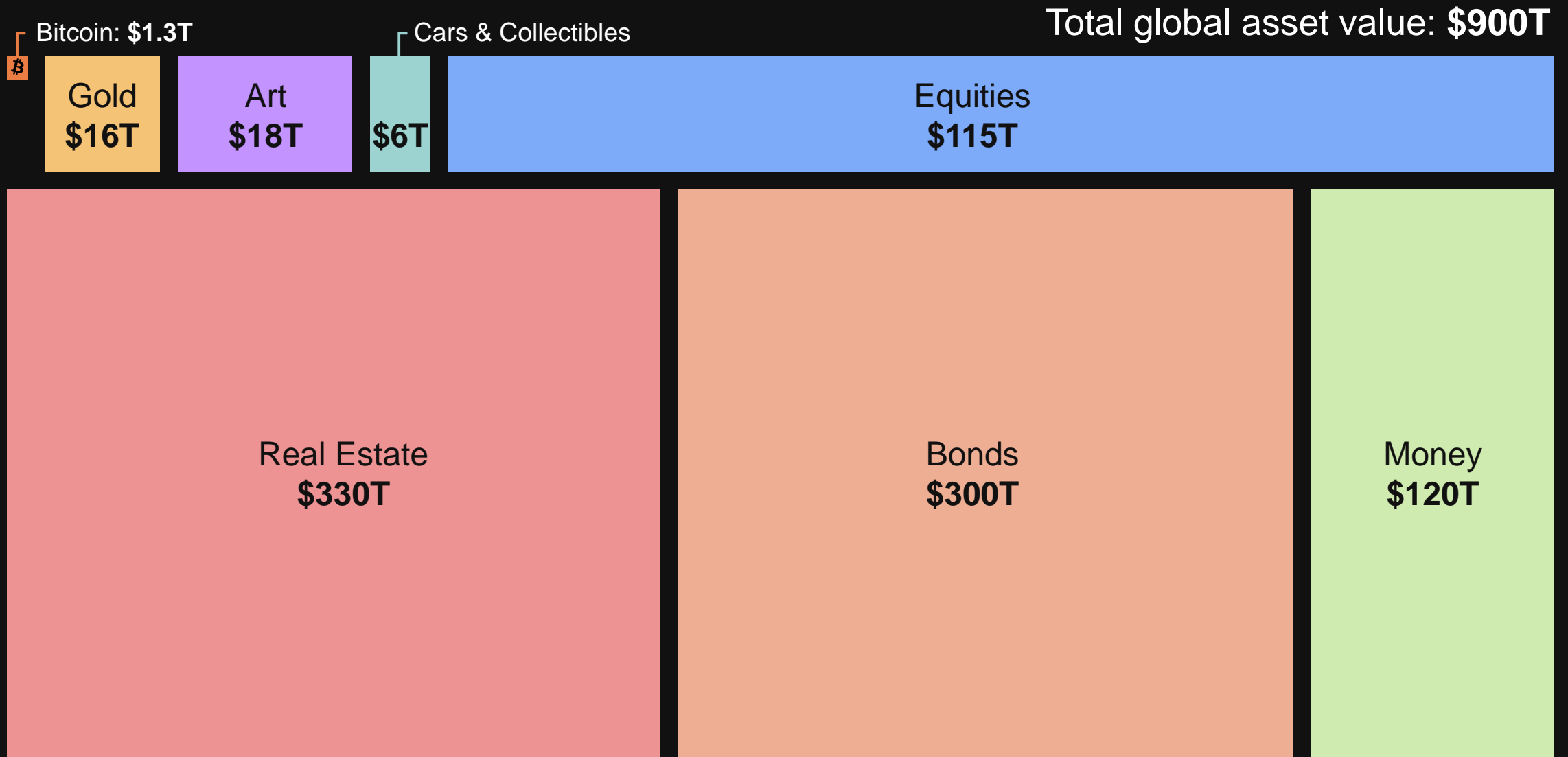
2008

Discovery of digital energy
that can be programmed by
a computer and channeled
through space and time.

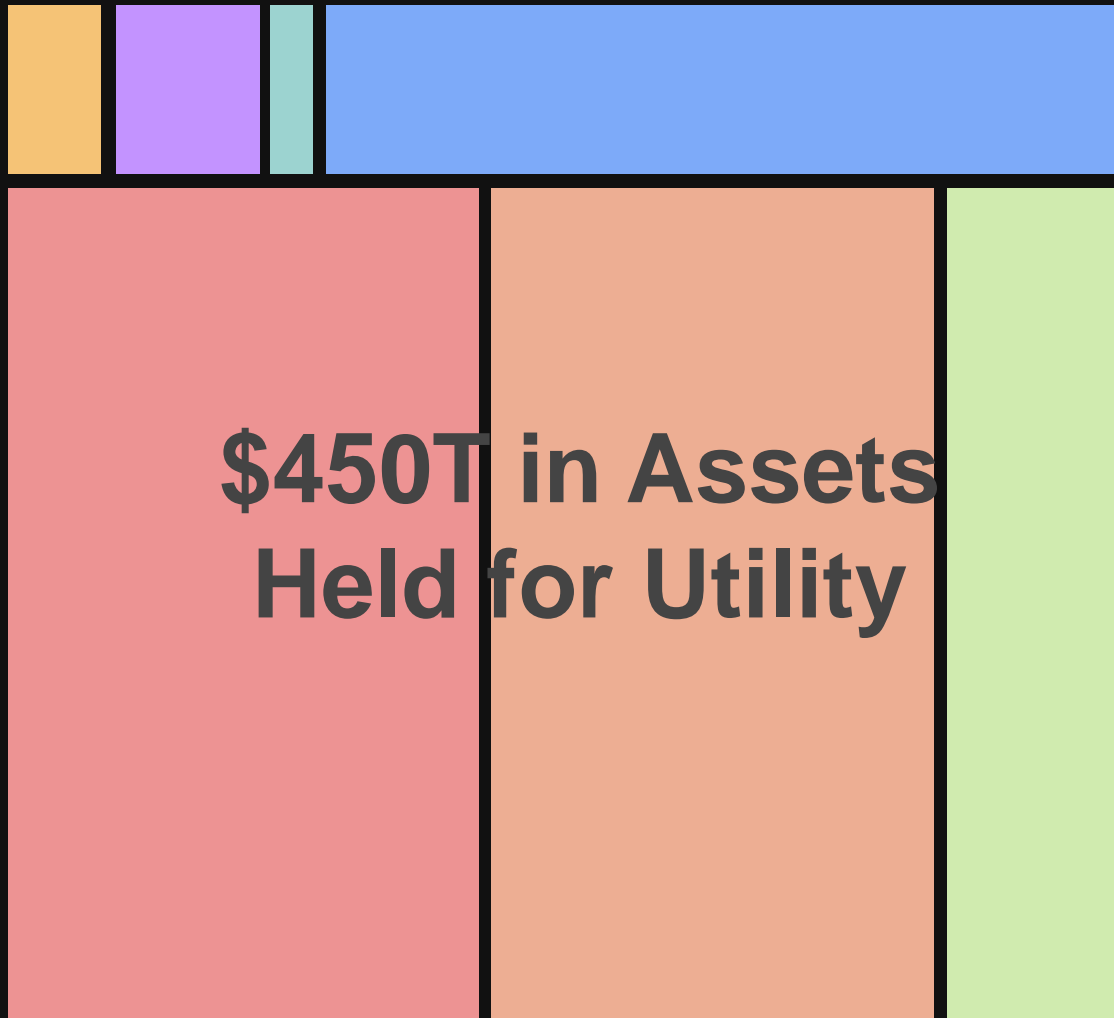


The most lucrative application of digital energy is the digital transformation of capital.

Global wealth is distributed across a variety of assets.



These assets (a) provide utility and (b) preserve capital.



**\$450T is
Long Term Capital
(Store of Value)**

Capital is Economic Energy

Money
Wealth
Power
Value

**Bitcoin represents the
transformation of our capital
from financial & physical assets
to digital assets.**

First Law of Money

$$L = V/M$$

L = Lifespan of Asset

V = Value of Asset

M = Maintenance Cost



Financial Assets

Financial Assets constantly degrade in value due to inflation, regulation, and political chaos.



ARS (2y)



TRY (3y)



USD (14y)



Stocks (25y)



Bonds (30y)



Funds (100y)

Low useful life

1

Year

High useful life

100

Years

Financial Risk Factors

Regulation, taxation, competition, obsolescence, incompetence, and catastrophe dilute capital.

Tariffs

Tolls

Torts

Trading

Transfers

Insurance

Storage

Spreads

Licensing

Taxes

VAT/Sales

Excise

Capital Gains

Income

Dividend

Inheritance

Gift

Property

Competition

Weather

Accident

War & Crime

Regulation

Obsolescence

Incompetence

Politics

Catastrophe

Physical Assets

Physical Assets constantly degrade in value due to the laws of entropy and political chaos.



Ferrari (5y)



Yacht (6y)



Home (17y)



Silver (22y)



Warehouse (40y)



Gold (62y)



Painting (72y)



Land (91y)

Low useful life

1

Year

High useful life

100

Years

Physical Risk Factors

Property taxes, economic & political chaos, crime, catastrophe & competition all dilute physical capital.

City Tax

County Tax

State Tax

Federal Tax

Transfer Tax

Usage Tax

Rent Control

Price Control

Culture Shock

Competition

Discrimination

Recession

Currency

Expropriation

Tenants

Technology

Traffic

Torts

Weather

War

Flood

Decay

Accident

Crime

Catastrophe

Insurance

Energy

**Satoshi discovered a method to
transfer value without a trusted
intermediary.**

**Satoshi discovered a method to
store value without a trusted
intermediary.**

Satoshi created an asset **without**
the financial risk of currency,
stocks, & bonds **or the physical**
risk of real estate or property.

Bitcoin is a revolutionary advance in asset lifespan.



Consumption

Saving

1
Years

10
Years

100
Years

1,000
Years

Bitcoin is Digital Capital.

Digital Capital offers many advantages to Investors

Bitcoin offers the benefits of owning a building, without the liabilities of a conspicuous, immobile asset.

No Tax
No Traffic
No Tenants
No Torts
No Trouble
No Mayor
No Weather
No Corrosion
No Regulator



Invisible
Indestructible
Immortal
Teleportable
Programmable
Divisible
Musical
Fungible
Configurable

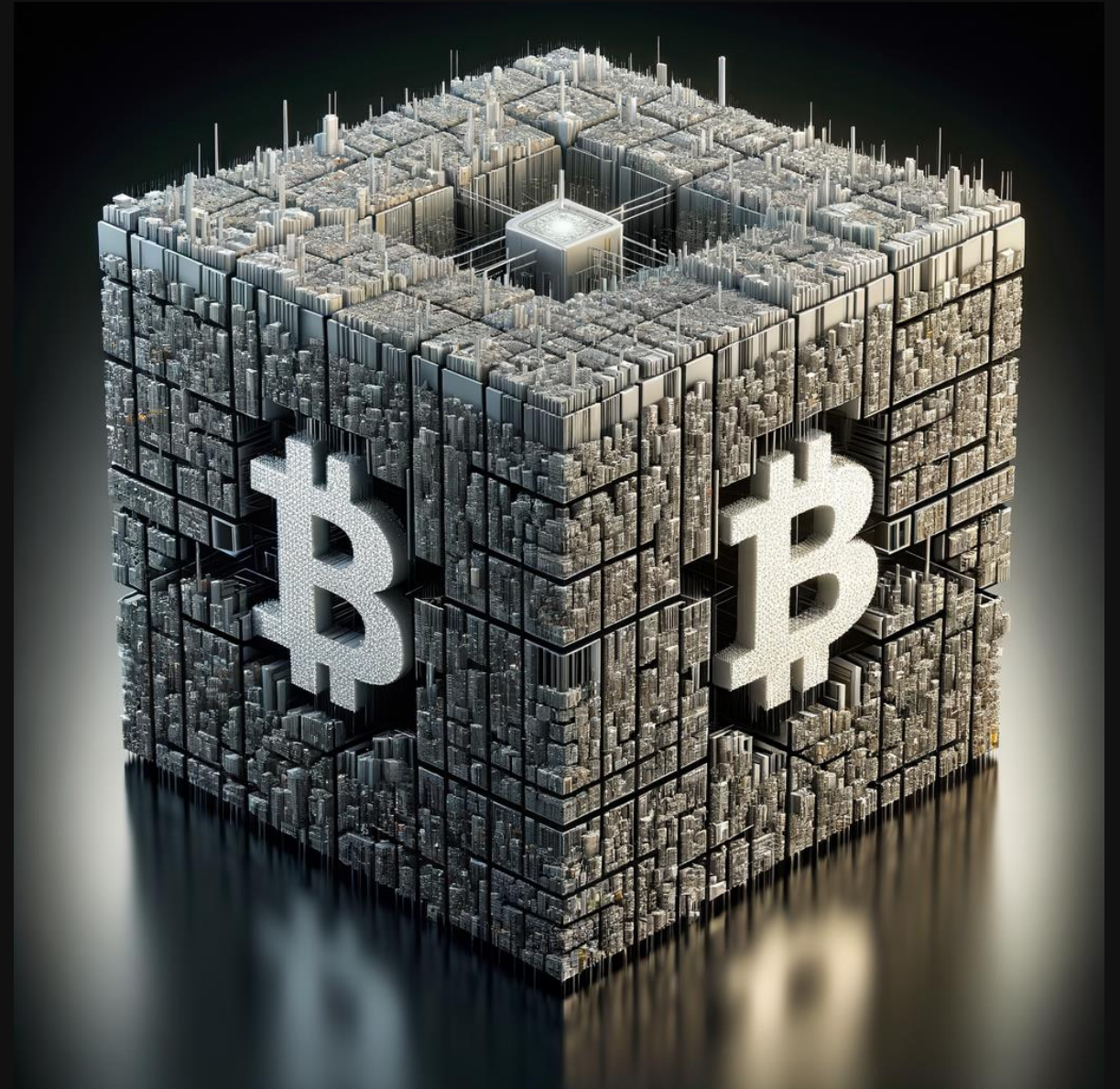
Digital Capital is Global Capital

Bitcoin is superior to foreign debt, equity, real estate, & currency as a capital asset.



**Bitcoin is
Cyber
Manhattan.**

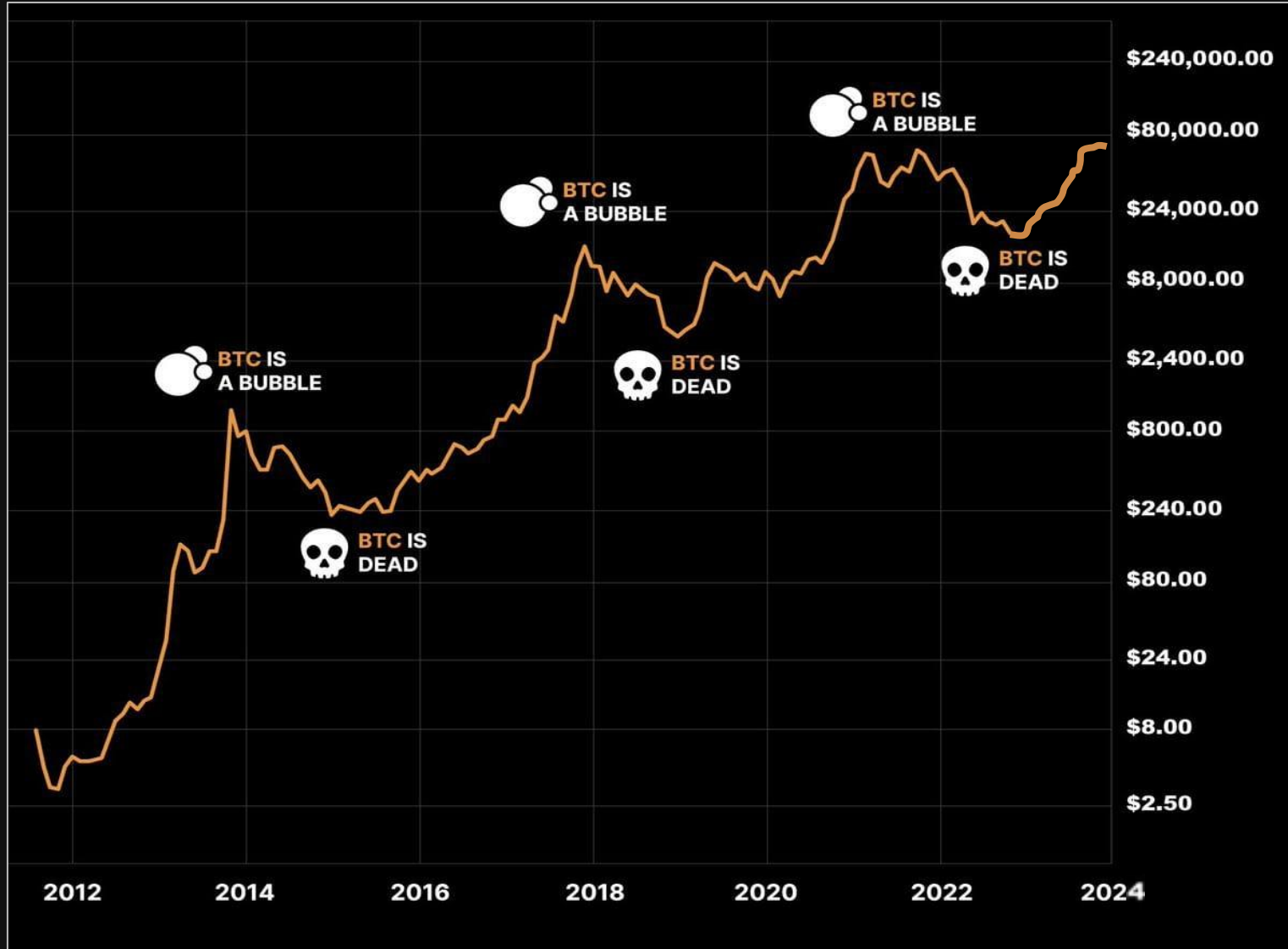
₿ 276³



What about Volatility?

Factors that Drive Bitcoin Volatility

Global, open, real-time, competitive, free capital market trading 8760 hours each year.



Anyone, anytime, anywhere can trade any amount.

No limitations on trading, leverage, collateral, or risk.

1400+ active crypto exchanges worldwide.

Very **limited support** within traditional banking system.

8760 hours per year vs. 1638 hours for stock exchanges.

Corporations and individuals can **bypass exchanges**.

Cross collateralized to **other Cryptos** (ETH, SOL, USDT).

Bitcoin Volatility is a Feature, not a Bug

Volatility is vitality, attracting superior capital, interest, talent, and technology to the asset class.

For investors => volatility delivers **superior returns.**

For traders => volatility delivers **superior yield.**

For financiers => volatility creates **superior ways to securitize** the asset class.

For corporations => volatility creates **superior access to capital.**

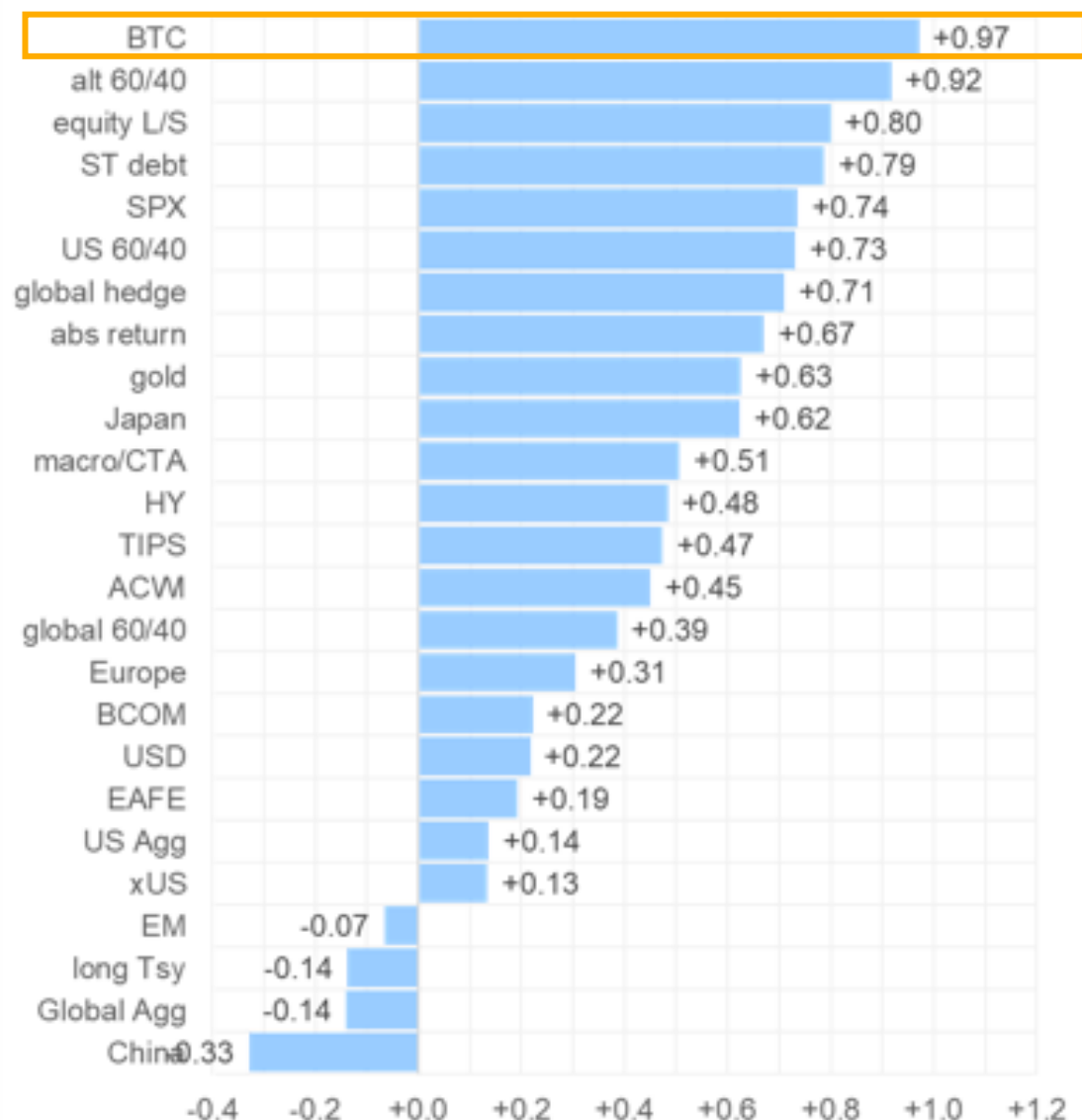
What about Performance?

Everyone is searching for an
asset **uncorrelated** to the S&P 500
with **higher returns** on a risk-
adjusted basis.

Bitcoin is an **asset without
counterparty risk** from
competitors, countries,
corporations, creditors, cultures,
or currencies.

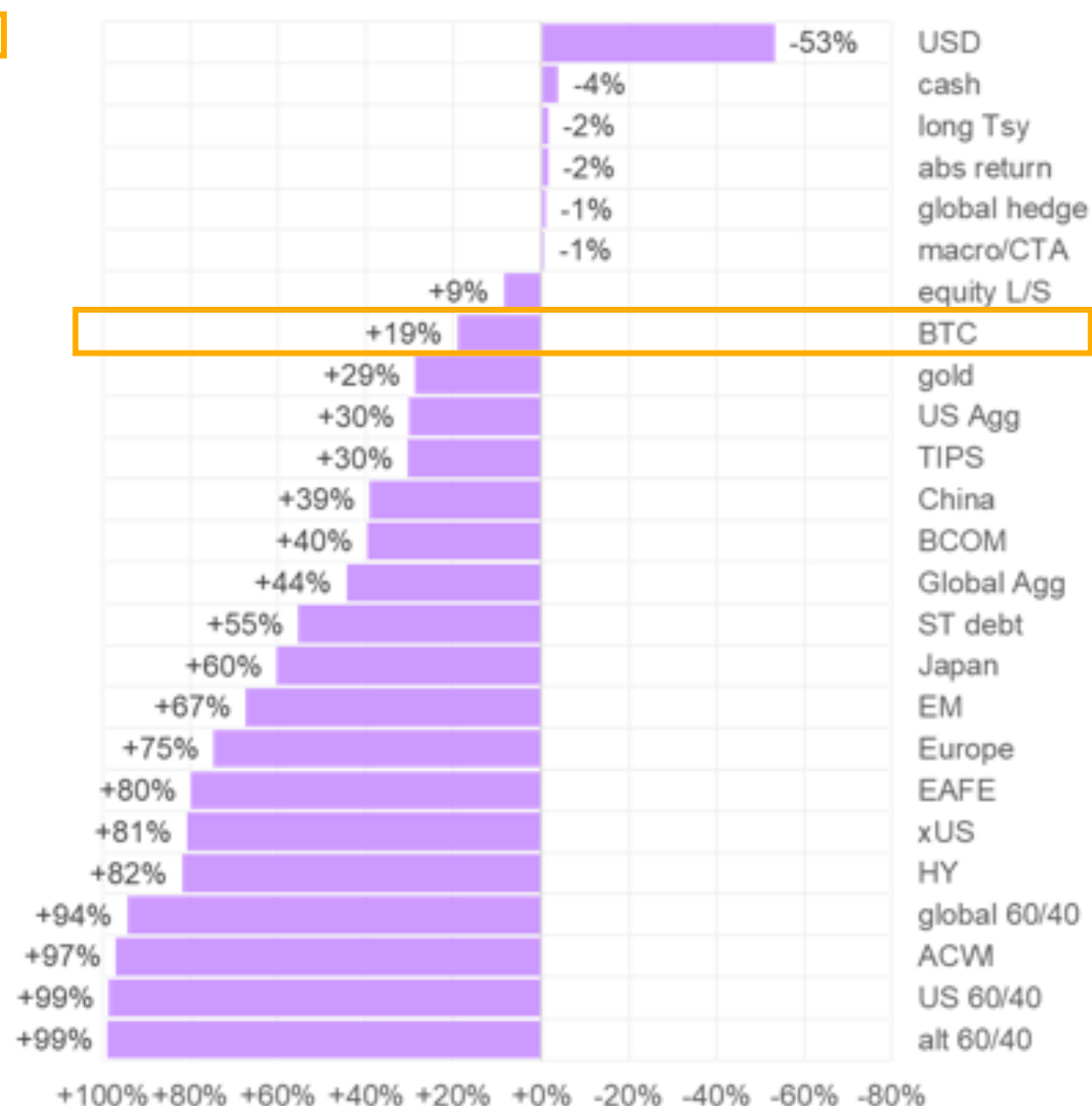
Sharpe Ratios (last 5 years)

Weekly data. Source: FMRCo, Bloomberg

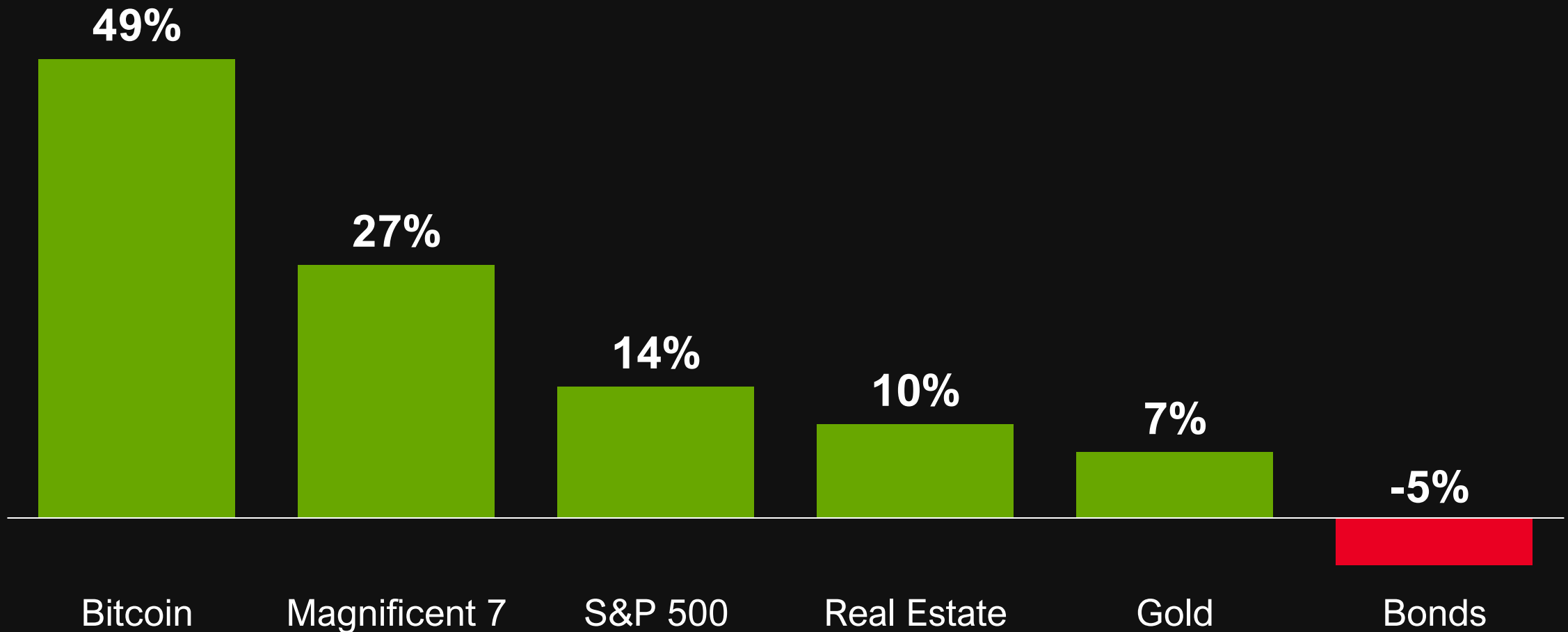


Correlation to SPX (last 5 years)

Weekly data. Source: FMRCo, Bloomberg



Annualized Asset Performance Chart Over Four Years



Performance since August 10, 2020, when MicroStrategy adopted its bitcoin strategy.

Source: FactSet as of October 8, 2024.

All major cryptos are collapsing against Bitcoin.



**Bitcoin
Dominance
(BTC.D)
is up from
50% to 58%
YoY
and growing.**



**ETH
(#2 crypto)
is collapsing
(-36% YoY)
vs BTC.**



Larry Fink on Bitcoin on July 15, 2024



What Backs Bitcoin?

Bitcoin is backed by Power

**700
Exahash**

**\$800B
Invested**



220M Holders

**18.33
Gigawatts**

**420M
Crypto**

**Bitcoin is the most powerful
crypto network in the world. It
has the most popular, regulatory,
and technical support, backed by
the most digital, political, and
economic power.**

The Birth of an Asset Class

Bitcoin's Evolution from Idealists to the Institutions

The Crazy
Years

Point

99

2008

2016

2024

2034

2012

2020

2028

2036

Idealists, Entrepreneurs,
& Crypto Cowboys

Institutions, Corporations,
& Investors

Milestones of Institutional Adoption

October
2008

Immaculate
Conception
of Satoshi

May
2010

Pizza Day

April
2011

When Satoshi
disappears

March
2014

IRS Designation
as Property

**2015 -
2017**

The Blocksize
Wars

August
2017

Fork of Bitcoin
Cash

BTC Price:
\$0.00

\$0.004

\$1.50

\$580

\$900 -
\$2,700

\$2,727

Milestones of Institutional Adoption

September
2017

First Bitcoin
Miner to go
public (Hive)

\$3,400

October
2018

Fidelity Digital
Assets

\$6,565

March
2020

Covid,
Lockdowns, &
Negative
Interest Rates

\$6,575

August
2020

MicroStrategy,
Square, Tesla,
Coinbase

\$11,400

**2021-
2022**

Comments
by Gensler,
Lagarde,
Powell

\$50,000-
\$60,000

April
2022

Janet Yellen
Satoshi
Nakamoto
Speech

\$42,280

Milestones of Institutional Adoption

January
2024

Spot Bitcoin
ETFs launched

\$46,350

May
2024

SAB 121 Repeal
Movement in
Congress

\$61,200

July
2024

Embrace of
Crypto by Trump
& Kennedy

\$67,900

August
2024

Morgan Stanley
Approval of
IBIT/FBTC for
Solicited Sale

\$61,400

January
2025

Fair Value
Accounting

NA

The Digital Gold Rush

The Bitcoin Gold Rush Starts Today



19.7 Million
Today

You only have 10 years to stake your claim...



We are fast approaching a point of absolute scarcity.



Fixed supply. **Backed** by energy. **No one** can centrally control it.

Expect a Reflexive Price Shock at Point99

99%

by January 2, 2035
3737 days – 10.2 years

1.145m BTC

or \$71 billion

305 BTC

\$20m per day



After Point99, bitcoin creation is offset by lost bitcoin, and the supply becomes effectively fixed.

**Point99 is the inflection point
where Bitcoin becomes the
world's first deflationary asset.**

**At Point99,
Bitcoin becomes
the world's first
perfect money.**



Institutional Adoption of Bitcoin

Types of Entities Holding Bitcoin

Category	# of BTC	Value (\$B)	%
ETFs	₿1,103,514	\$69B	5.3%
Countries	₿529,365	\$33B	2.5%
Private Companies	₿359,638	\$22B	1.7%
Public Companies (Ex-Miners)	₿303,437	\$19B	1.4%
Mining Companies	₿60,390	\$3.8B	0.3%
Total	₿2,356,344	\$146B	11.2%

Source: <https://bitcointreasuries.com/> as of October 8, 2024.



40 Global Spot Bitcoin ETPs hold 1+ Million Bitcoin

Name	Country	Ticker
BlackRock iShares Bitcoin	USA	IBIT
Grayscale Bitcoin	USA	GBTC
Fidelity WiseOrigin Bitcoin	USA	FBTC
ARK 21Shares Bitcoin	USA	ARKB
Bitwise Bitcoin ETF	USA	BITB
Grayscale Bitcoin Mini Trust	USA	BTC
VanEck Bitcoin Trust	USA	HODL
Valkyrie Bitcoin Fund	USA	BRRR
Invesco Galaxy Bitcoin	USA	BTCO
Franklin Bitcoin ETF	USA	EZBC
WisdomTree Bitcoin	USA	BTCW
Hashdex Bitcoin ETF	USA	DEFI

Name	Country	Ticker
Purpose Bitcoin ETF	Canada	BTCC
ETC Group Physical Bitcoin	Germany	BTCE
CoinShares XBT Bitcoin One	Sweden	COINXBT
CoinShares Physical Bitcoin	Channel Islands	BITC
21Shares Bitcoin ETP	Switzerland	ABTC
Bitwise 10 Crypto Index	USA	BITW
WisdomTree Physical Bitcoin	Jersey	WBIT
CI Galaxy Bitcoin CAD	Canada	BTCX.B
VanEck Bitcoin ETN	Liechtenstein	VBTC
Grayscale Digital Large Cap	Cayman Islands	GDLC
Fidelity Advantage Bitcoin	Canada	FBTC
Hashdex NCI Crypto Index	Brazil	NCI
CI Galaxy Bitcoin USD	Canada	BTCX.U
3iQ Bitcoin Fund	Canada	QBTC
Evolve Bitcoin ETF	Canada	EBIT
ChinaAMC Bitcoin ETF	Hong Kong	3042.HK
Osprey Bitcoin Trust	USA	OBTC
Bosera HashKey Bitcoin ETF	Hong Kong	3008.HK
QR Asset Bitcoin ETF	Brazil	QBTC11
Global 21Shares Bitcoin ETF	Australia	EBTC

Name	Country	Ticker
Fidelity Physical Bitcoin ETP	Germany	FBTC:GER
Harvest BitcoinSpot ETF	Hong Kong	3439.HK
VanEck Bitcoin ETF	Australia	VBTC
DA Physical Bitcoin ETP	Germany	XBTI
ETC Group Core Bitcoin	Germany	BTC1
Monochrome Bitcoin ETF	Australia	IBTC
One Bitcoin ETF	Thailand	ONE-BTC
Jacobi FT Wilshire Bitcoin	UK/Holland	BCOIN

US ETFs

12

Global ETFs

28

Note: Sorted by number of bitcoin holdings in each category as of October 8, 2024.

70+ Publicly Traded Bitcoin Related Securities

Name	Country	Ticker
MicroStrategy	USA	MSTR
Tesla	USA	TSLA
Coinbase Global	USA	COIN
Galaxy Digital Holdings	Canada	BRPHF
Block	USA	SQ
Bitcoin Group SE	Germany	BTGGF
Voyager Digital	Canada	VOYG
NEXON	Japan	NEXOF
Aker ASA	Norway	AKER
Boyaa	Hong Kong	0434
Exodus Movement	USA	EXOD
Brooker Group's BROOK	Thailand	BROOK
Semler Scientific	USA	SMLR
Bit Digital	USA	BTBT
Meitu	China	HKD
Phunware	USA	PHUN
NFT Investments PLC	UK	NFT
MercadoLibre	Argentina	MELI
Metaplanet	Japan	3350.T
Net Holding Anonim Sirketi	Turkey	NTHOL TI
Advanced Bitcoin Technologies	Germany	ABT
DigitalX	Australia	DGGXF
LQwD FinTech	Canada	LQWDF
BIGG Digital Assets	Canada	BBKCF
Banxa Holdings	Australia	BNXAF
DEFI Technologies	Canada	DEFTF
BTCS	USA	BTCS
FROM	USA	FROM

Name	Country	Ticker
Metromile	USA	MILE
MOGO Financing	Canada	MOGO
Marathon Digital	USA	MARA
Riot Platforms	USA	RIOT
Hut 8	USA	HUT
Cleanspark	USA	CLSK
Hive Digital	Canada	HIVE
Cifer Mining	USA	CIFR
Canaan	Singapore	CAN
Bit Digital	USA	BTBT
Bitfarms	Canada	BTF
DMG Blockchain	Canada	DMGI
LM Funding America	USA	LMFA
Cathedral Bitcoin	Canada	CBIT
Sphere 3D	USA	ANY
Core Scientific	USA	CORZ
Digihost	Canada	DGHI
Gryphon Digital Mining	USA	GRYP
Argo Blockchain	UK	ARBK
Stronghold Digital	USA	SDIG
Iris Energy	Australia	IREN
Bitdeer	Hong Kong	BTDR
Greenidge	USA	GREE
Soluna Holdings	USA	SLNH
Bit Mining	USA	BTM
Sato Technologies	USA	CCPUF
Griid	USA	GRDI
Mawson Infrastructure	USA	MIGI
TeraWulf	USA	WULF

Name	Ticker
ProShares Bitcoin Strategy ETF	BITO
2x Bitcoin Strategy ETF	BITX
Defiance Daily Target 1.75X Long MSTR ETF	MSTX
T-REX 2X Long MSTR Daily Target ETF	MSTU
YieldMax MSTR Option Income Strategy ETF	MSTY

Derivatives → 5

Name	Country	Ticker
iShares Blockchain and Tech ETF	USA	IBLC
Bitwise Crypto Ind. Innovators ETF	USA	BITQ
First Trust SkyBridge Crypto Industry and Digital Economy ETF	USA	CRPT
Blockchain Technologies ETF	Canada	HBLK
Global X Blockchain ETF	USA	BKCH
Fidelity Crypto Industry Digital Payments ETF	USA	FDIG
Schwab Crypto Thematic ETF	USA	STCE
Invesco CoinShares Global Blockchain UCITS ETF	UK	BCHN
WisdomTree Blockchain UCITS Index	USA	WTBKC
VanEck Digital Transformation ETF	USA	DAPP

Public Companies → 28+

Miners → 29

BTC Composite ETFs → 10+

Note: Sorted by number of bitcoin holdings in each category as of October 8, 2024.

The Future of Bitcoin

Factors that Drive Bitcoin Adoption and Price

Advances in technology, improvements in regulation, and economic growth are bullish for bitcoin.

Approval of **Banking Custody**, Trading, & Credit

Approval of ETP **In-Kind Creation** and Options

Approval of **Digital Assets Framework** for Innovation

Advance & Integration of **Artificial Intelligence**

Issuance of **Sovereign Debt** by Nations Worldwide

Integration with **Big Tech** software & hardware devices

Increased **Awareness & Chaos** from the passage of time

The Bitcoin24 Model is an Open-Source Macro Model

Create a
customized
Bitcoin
corporate
forecast with
Bitcoin24.



Michael Saylor ⚡️🔵 @saylor · Aug 30

Bitcoin24 is an open-source macro model forecasting asset growth and [#Bitcoin](#) adoption over the next 21 years, along with micro models to evaluate various Bitcoin strategies for individuals, corporations, institutions, and nation-states.



From github.com

💬 338

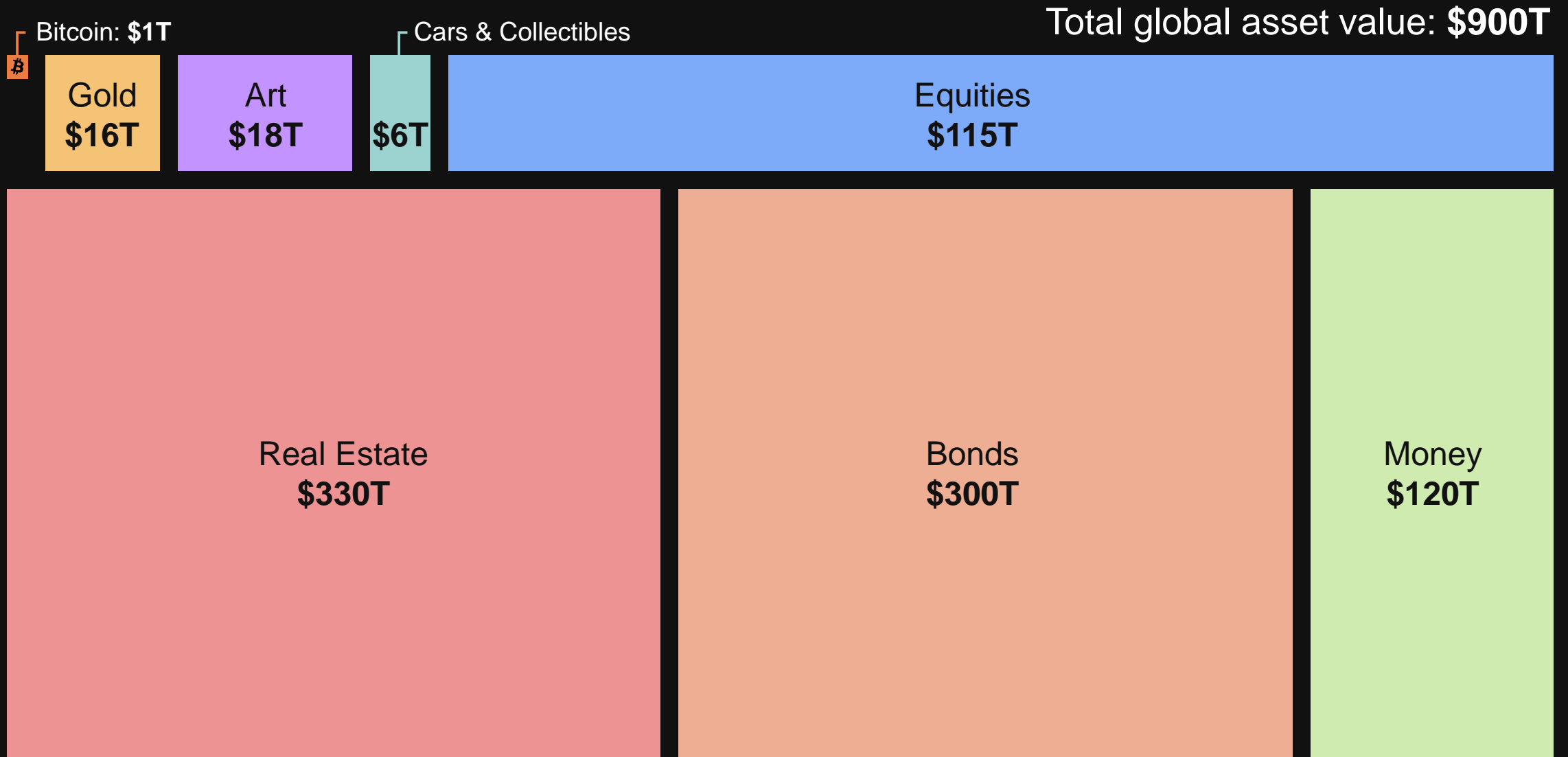
↻ 1.1K

❤️ 5.2K




📊 455K



Global wealth is being redistributed by digital forces



Bitcoin 21-Year Price Forecast

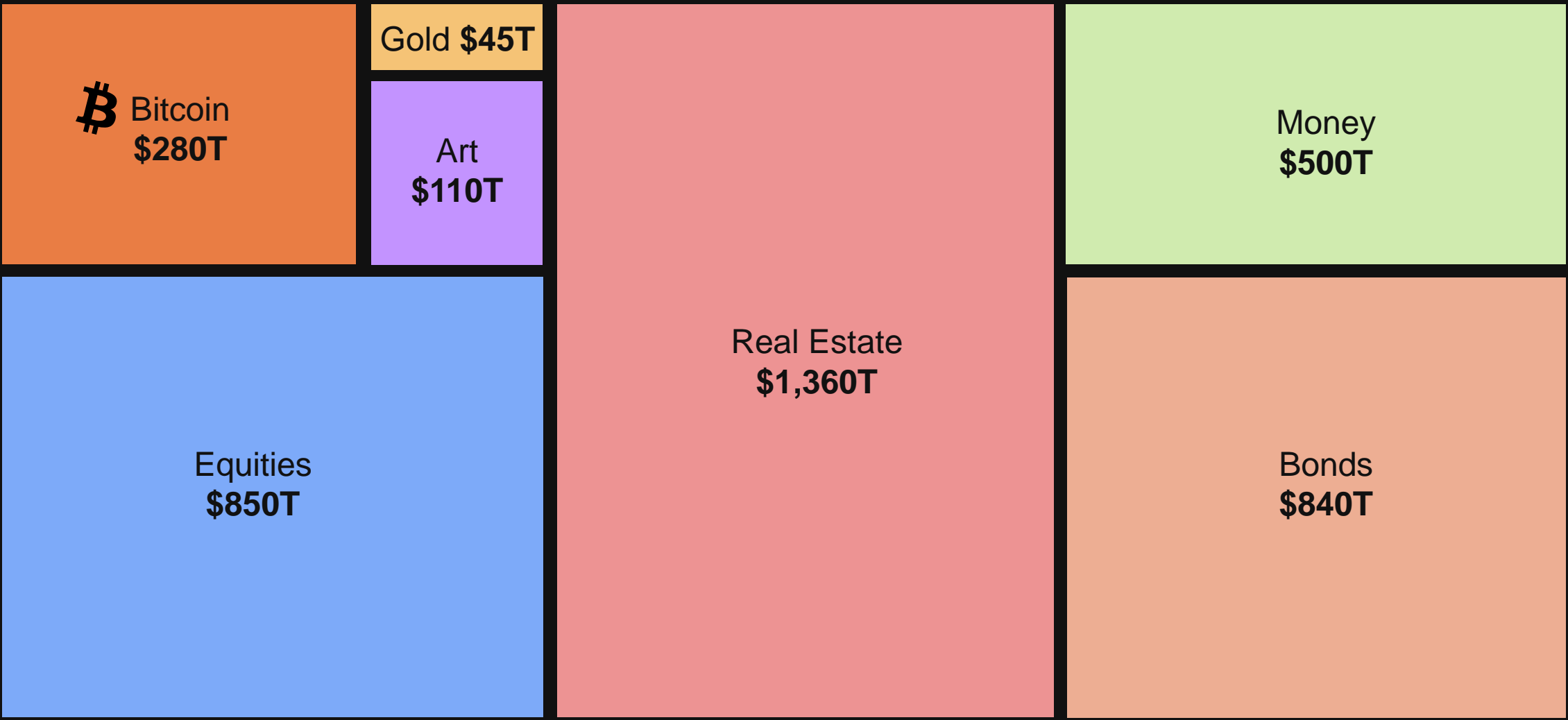
	2024	2045		
		Bear	Base	Bull
				
₿ Price	\$65K	\$3M	\$13M	\$49M
₿ % of Assets	0.1%	2%	7%	22%
₿ Market Cap	\$1.3T	\$68T	\$280T	\$1,030T
₿ ARR		21%	29%	37%

Macro 21-Year Forecast

	2024		2045		
	Market Cap (\$T)	%	Market Cap (\$T)	%	ARR
Bitcoin	\$1	0.1%	\$280	7%	29%
Gold	\$16	2%	\$45	1%	5%
Art	\$18	2%	\$110	2%	9%
Equity	\$115	13%	\$850	21%	10%
Real Estate	\$330	37%	\$1,360	34%	7%
Bonds	\$300	33%	\$840	21%	5%
Money	\$120	13%	\$500	12%	7%
Total	\$900	100%	\$4,000	100%	7%

Macro Assets will shift toward Equity & Bitcoin by 2045

2045 Total global asset value: \$4,000T



The MicroStrategy Bitcoin Story

Journey from Defensive to Opportunistic to Strategic



Michael Saylor ⚡️ ✓
@saylor



MicroStrategy Adopts [#Bitcoin](#) as Primary Treasury Reserve Asset.

MICROSTRATEGY

Investor Relations

Explore MicroStrategy's Investor Relations: Stay Informed on Financial Performance and ...

From microstrategy.com

7:06 AM · Aug 11, 2020

Journey from Defensive to Opportunistic to Strategic



MicroStrategy has acquired 7,420 BTC for ~\$458.2 million at ~\$61,750 per [#bitcoin](#) and has achieved BTC Yield of 5.1% QTD and 17.8% YTD. As of 9/19/2024, we hodl 252,220 [\\$BTC](#) acquired for ~\$9.9 billion at ~\$39,266 per bitcoin. [\\$MSTR](#)



MicroStrategy has increased its Bitcoin each quarter.

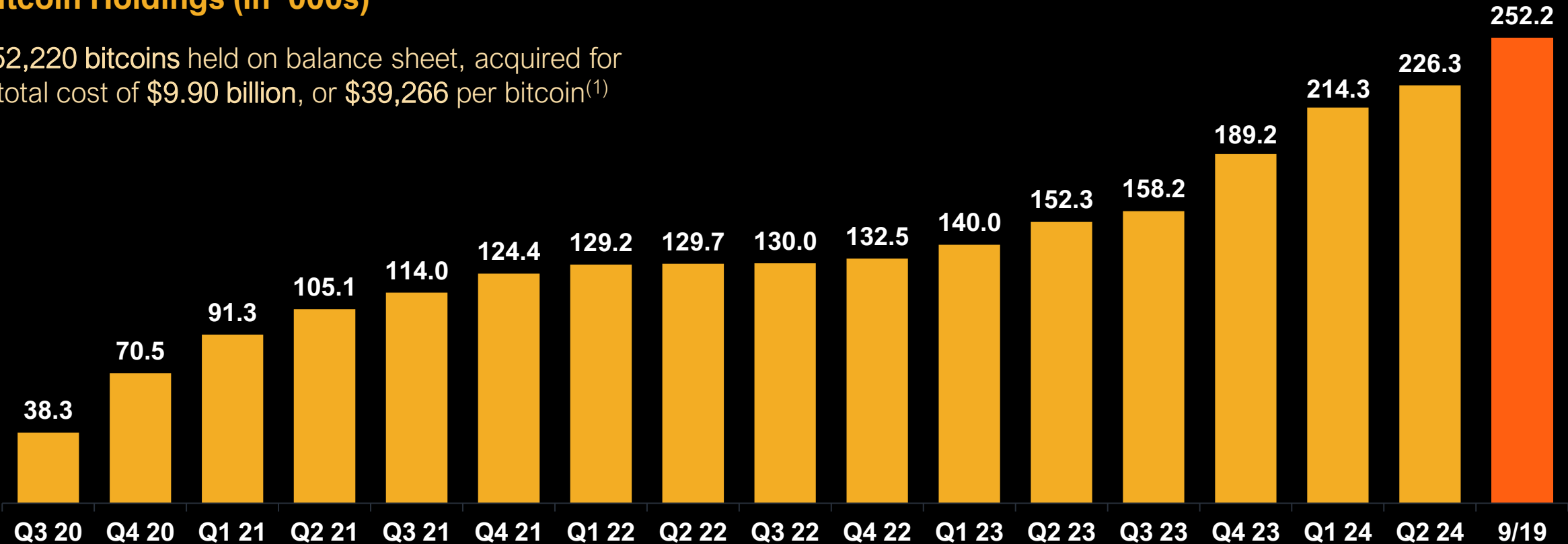


Growth in Bitcoin Strategic Treasury Reserve

MicroStrategy has acquired additional bitcoin in every quarter since Q3 2020

Bitcoin Holdings (in '000s)

252,220 bitcoins held on balance sheet, acquired for a total cost of \$9.90 billion, or \$39,266 per bitcoin⁽¹⁾



(1) Last public disclosure as of September 19, 2024.



“MicroStrategy is the world’s first **Bitcoin Development Company**”

We believe that the combination of our operating structure, bitcoin strategy, and focus on technology innovation provides a unique opportunity for value creation

Bitcoin



Who are we: MicroStrategy is the largest corporate holder of bitcoin in the world and the first public company to adopt bitcoin as its primary treasury reserve asset.



Key Metrics⁽¹⁾: 252,220 bitcoins acquired at an average purchase price of \$39,266 per bitcoin for an aggregate cost basis of \$9.90 billion. Total market value of bitcoin holdings ~\$16 billion⁽¹⁾.

Business Intelligence



Who are we: MicroStrategy develops and provides industry-leading AI-powered enterprise analytics software that promotes our vision of Intelligence Everywhere.

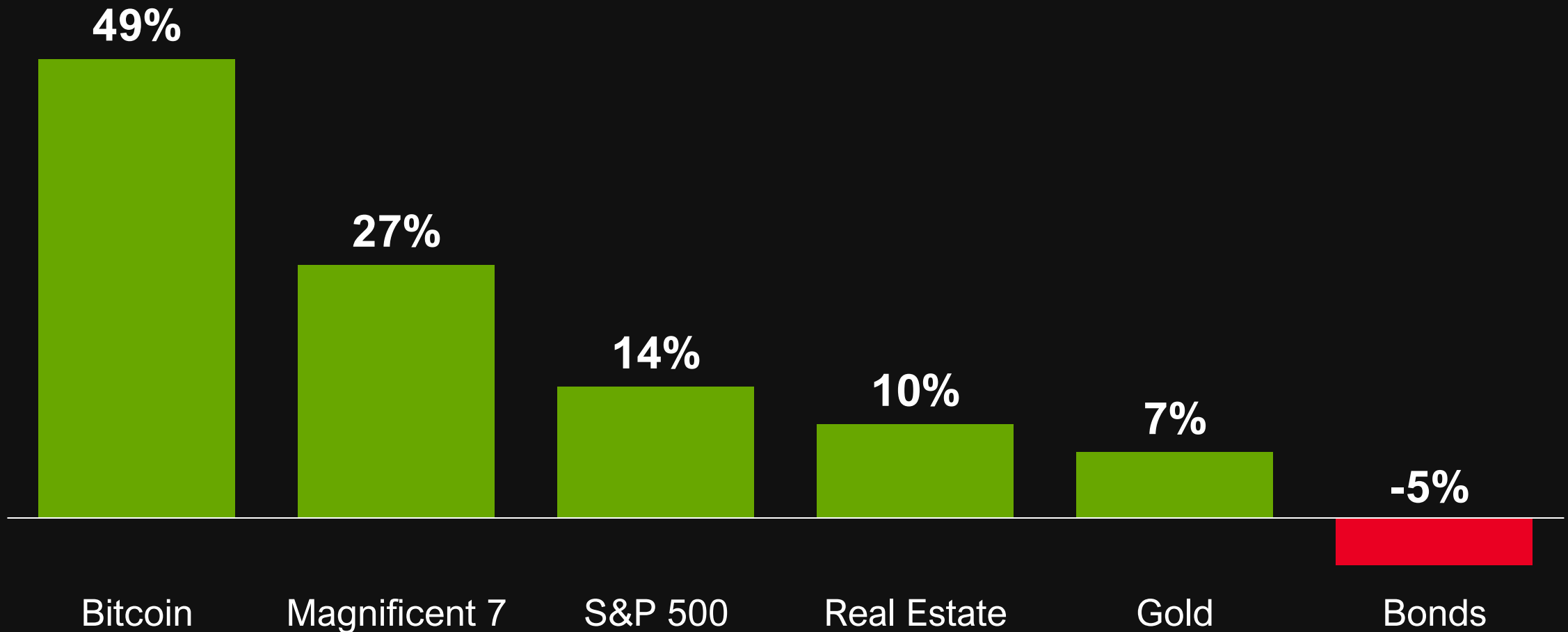


Key Metrics: FY2023 annual revenue of \$496 million, 78% gross margin, \$81 million subscription services revenues (34% YoY growth), >90% renewal rates and an accelerated cloud transition.

(1) As of September 19, 2024.



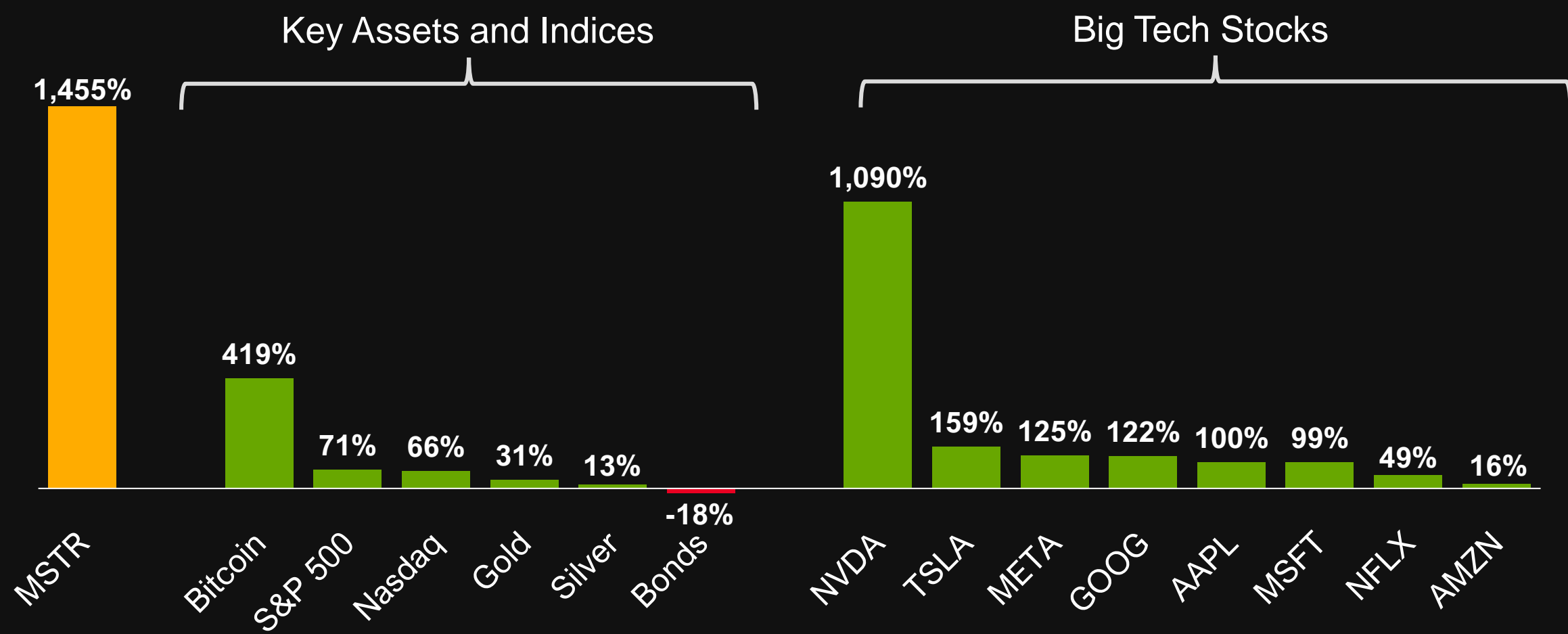
Annualized Asset Performance Chart Over Four Years



Performance since August 10, 2020, when MicroStrategy adopted its bitcoin strategy.

Source: FactSet as of October 8, 2024.

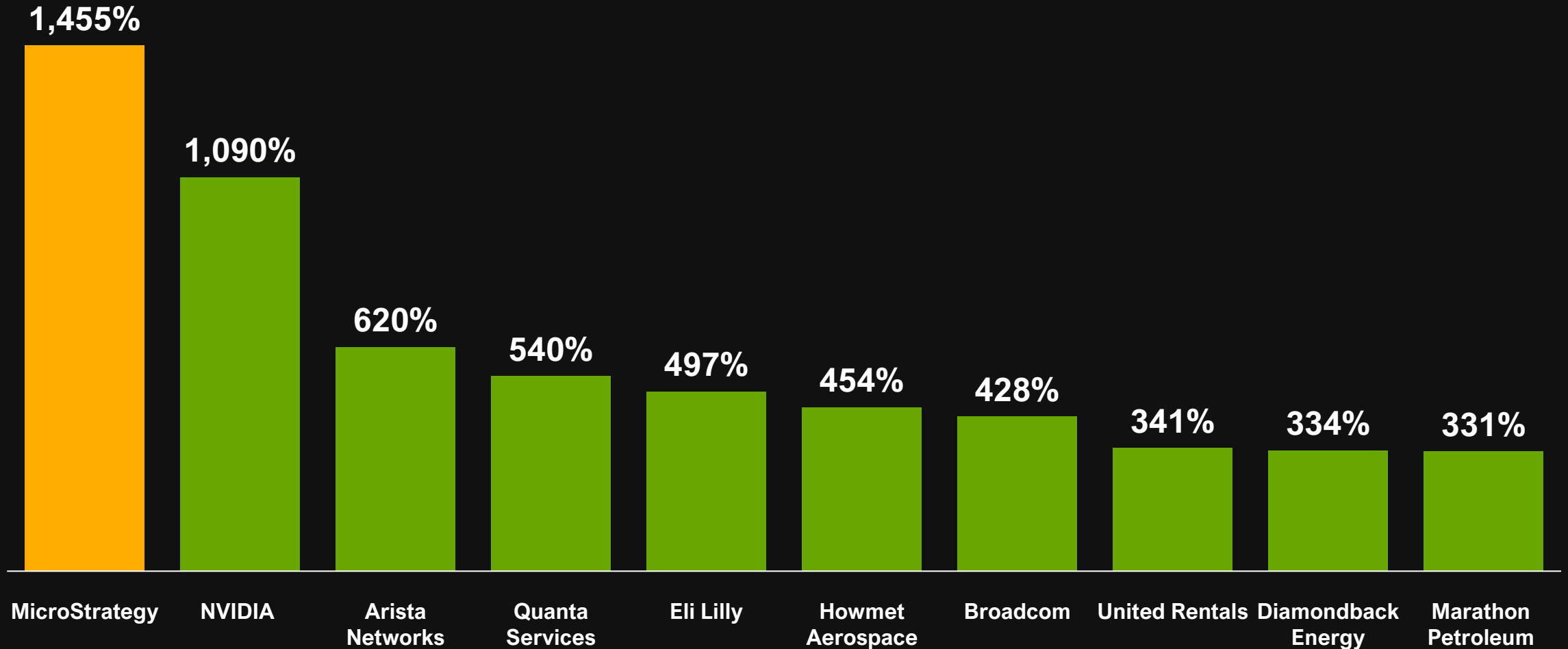
MicroStrategy Performance Since Adoption of Bitcoin Strategy



Stock performance since August 10, 2020, when MicroStrategy adopted its bitcoin strategy.

Source: FactSet as of October 8, 2024.

Top 10 Performing Stocks in the S&P 500



Stock performance since August 10, 2020, when MicroStrategy adopted its bitcoin strategy.

Source: FactSet as of October 8, 2024. S&P 500 constituents as of August 10, 2020.

MSTR enterprise value has grown 6660% in four years

MicroStrategy has acquired 7,420 BTC for ~\$458.2 million at ~\$61,750 per [#bitcoin](#) and has achieved BTC Yield of 5.1% QTD and 17.8% YTD. As of 9/19/2024, we hodl 252,220 [\\$BTC](#) acquired for ~\$9.9 billion at ~\$39,266 per bitcoin. [\\$MSTR](#)

**\$666
million**

A graphic with a dark background featuring a circuit board pattern and several small, glowing yellow flower-like icons. In the center, a large, glowing Bitcoin coin is surrounded by bright yellow lightning bolts. The text is in a bold, yellow, sans-serif font.

**MicroStrategy Acquires
7,420 BTC and achieves
BTC Yield of 17.8%
YTD; Now Holds
252,220 BTC**

MicroStrategy

MicroStrategy Acquires 7,420 BTC and achieves BTC Yield of 17.8% YTD; Now Holds 25...

**\$45
billion**

MicroStrategy – Bitcoin Development Company

Unique value proposition versus Spot Bitcoin ETPs

		MicroStrategy	Spot Bitcoin ETPs
1	Company Structure	Operating company Active control over capital structure No management fee	Trust company Limited control over capital structure Non-zero management fee
2	Ability to Develop Software	Ability to innovate to create incremental value	None
3	Ability to Generate Cash from Operations	Reinvest cash from software business	None
4	Ability to Leverage Capital Markets	Debt – Secured or Unsecured Convertible or Structured Notes Equity, Preferred Equity	Limited

Note: Based on the Company’s own view of the relative positioning of the various categories shown. MicroStrategy is not an exchange traded product (“ETP”) or an exchange-traded fund (“ETF”) registered under the Investment Company Act of 1940, as amended, is not subject to the same rules and regulations as an ETP or an ETF and does not operate as an ETP or ETF. See Appendix for additional information.



Capital Structure & Intelligent Leverage

- Significant reduction in annual fixed interest expenses after the redemption of 2028 senior secured notes
- 100% of our total bitcoin holdings are unencumbered
- Generated a year-to-date BTC Yield of 17.8%

	Principal Instruments	Maturity ⁽²⁾	Amount at Issuance (\$M)	Annual Interest Rate (%)	Annualized Interest Expense (\$M)
Debt	Senior Secured Notes	Jun 2028	\$500	6.125%	\$30.6
Converts	Convertible Senior Notes	Feb 2027	\$1,050	0.000%	\$0.0
		Sep 2028	\$1,010	0.625%	\$6.3
		Mar 2030	\$800	0.625%	\$5.0
		Mar 2031	\$604	0.875%	\$5.3
		Jun 2032	\$800	2.250%	\$18.0
	Existing Debt Subtotal ⁽³⁾ :		\$4,264	0.811%	\$34.6

(1) As of September 19, 2024.
(2) Please refer to the Q2 2024 10-Q for the investor controlled put option on 2030, 2031, and 2032 convertible notes.
(3) Excludes \$10.1M principal amount and interest payable on our other long-term secured debt. Please refer to the 2024 Q2 10-Q for further detail.



Q&A

Appendix

Forward-Looking Statements

Some of the information provided in this presentation regarding bitcoin may constitute forward-looking statements. Actual results may differ materially from these forward-looking statements due to various important factors, including the risk factors discussed in MicroStrategy Incorporated's most recent 10-Q filed with the SEC. No party assumes any obligation to update these forward-looking statements, which speak only as of the date of this presentation.



Important Information About BTC Yield KPI

BTC Yield is a key performance indicator (“KPI”) that represents the % change period-to-period of the ratio between our bitcoin holdings and our Assumed Diluted Shares Outstanding. Assumed Diluted Shares Outstanding refers to the aggregate of our actual shares of common stock outstanding as of the end of each period plus all additional shares that would result from the assumed conversion of all outstanding convertible notes, exercise of all outstanding stock option awards, and settlement of all outstanding restricted stock units and performance stock units. Assumed Diluted Shares Outstanding is not calculated using the treasury method and does not take into account any vesting conditions (in the case of equity awards), the exercise price of any stock option awards or any contractual conditions limiting convertibility of convertible debt instruments.

We use BTC Yield as a KPI to help assess the performance of our strategy of acquiring bitcoin in a manner we believe is accretive to shareholders. We believe this KPI can be used to supplement an investor’s understanding of our decision to fund the purchase of bitcoin by issuing additional shares of our common stock or instruments convertible to common stock. When we use this KPI, management also takes into account the various limitations of this metric, including that it does not take into account debt and other liabilities and claims on company assets that would be senior to common equity and that it assumes that all indebtedness will be refinanced or, in the case of our senior convertible debt instruments, converted into shares of common stock in accordance with their respective terms.

Additionally, this KPI is not, and should not be understood as, an operating performance measure or a financial or liquidity measure. In particular, BTC Yield is not equivalent to “yield” in the traditional financial context. It is not a measure of the return on investment our shareholders may have achieved historically or can achieve in the future by purchasing our stock, or a measure of income generated by our operations or our bitcoin holdings, return on investment on our bitcoin holdings, or any other similar financial measure of the performance of our business or assets.

The trading price of our class A common stock is informed by numerous factors in addition to the amount of bitcoins we hold and number of actual or potential shares of our stock outstanding, and as a result, the market value of our shares may trade at a discount or a premium relative to the market value of the bitcoin we hold, and BTC Yield is not indicative nor predictive of the trading price of our shares of class A common stock.

As noted above, this KPI is narrow in its purpose and is used by management to assist it in assessing whether we are using equity capital in a manner accretive to shareholders solely as it pertains to our bitcoin holdings.

In calculating this KPI, we do not take into account the source of capital used for the acquisition of our bitcoin. We note in particular, we have acquired bitcoin using proceeds from the offerings of senior secured notes (which we have since redeemed), which were not convertible to shares of our common stock, as well as convertible senior notes, which may from time-to-time have conversion prices above our current trading prices or not be exercisable. Such offerings have had the effect of increasing the BTC Yield without taking into account the corresponding debt. Conversely, if any of our convertible senior notes mature or are redeemed without being converted into common stock, we may be required to sell shares in quantities greater than the shares such notes are convertible into or generate cash proceeds from the sale of bitcoin, either of which would have the effect of decreasing the BTC Yield due to changes in our bitcoin holdings and shares in ways that were not contemplated by the assumptions in calculating BTC Yield. Accordingly, this metric might overstate or understate the accretive nature of our use of equity capital to buy bitcoin because not all bitcoin may be acquired using proceeds of equity offerings and not all issuances of equity may involve the acquisition of bitcoin.

We determine our KPI targets based on our history and future goals. Our ability to achieve positive BTC Yield may depend on a variety of factors, including our ability to generate cash from operations in excess of our fixed charges and other expenses, as well as factors outside of our control, such as the availability of debt and equity financing on favorable terms. Past performance is not indicative of future results.

We have historically not paid any dividends on our shares of common stock, and by presenting this KPI we make no suggestion that we intend to do so in the future. Ownership of common stock does not represent an ownership interest in the bitcoin we hold.

Investors should rely on our financial statements and other disclosures contained in our SEC filings. This KPI is merely a supplement, not a substitute. It should be used only by sophisticated investors who understand its limited purpose and many limitations.



Additional Information

MicroStrategy is not an exchange traded product (“ETP”) or an exchange-traded fund (“ETF”) registered under the Investment Company Act of 1940, as amended, is not subject to the same rules and regulations as an ETP or an ETF, and does not operate as an ETP or ETF. In particular, 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 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, (iv) are subject to federal income tax at the entity level and the other risk factors applicable to an operating business, such as ours, and (v) are not required to provide daily transparency as to our bitcoin holdings or our daily NAV.

