

Report of Organizational Actions  
Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
MicroStrategy Incorporated & Subsidiaries		51-0323571	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Jeanine Montgomery	703-848-8600	jemontgomery@Strategy.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
1850 Towers Crescent Plaza		Tysons Corner, VA 22182	
8 Date of action		9 Classification and description	
March 31, 2025		Distribution - 8.00% Series A Perpetual Strike Preferred Stock	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
SEE ATTACHED		STRK	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► SEE ATTACHED STATEMENT

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► SEE ATTACHED STATEMENT

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► SEE ATTACHED STATEMENT

**Part II**   **Organizational Action** *(continued)*

**17**   List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶   SEE ATTACHED STATEMENT

**18**   Can any resulting loss be recognized? ▶   SEE ATTACHED STATEMENT

**19**   Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHED STATEMENT

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.					
	Signature ▶ <u>Jeanine Montgomery</u> <small>F4551388ACBF433...</small>		Date ▶ <u>13 May 2025</u>			
	Print your name ▶ <u>Jeanine Montgomery</u>		Title ▶ <u>Vice President and CAO</u>			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name		Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶		
	Firm's address ▶			Phone no.		

**MicroStrategy Incorporated****EIN: 51-0323571****Attachment to Form 9937****Report of Certain Organizational Actions Affecting Basis of Securities**

The information contained on Form 9937 and within this attachment does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code of 1986, as amended (the “Code”). Moreover, each holder is urged to consult its own tax advisor regarding the particular tax consequences of the transaction to them, including the applicability and effect of all U.S. federal, state, local, and foreign tax laws.

**Form 9937, Part I, Lines 9 and 10**

<b>Description</b>	<b>CUSIP</b>
8.00% Series A Perpetual Strike Preferred Stock	594972887

**Form 9937, Part II, Line 14**

On February 5, 2025, MicroStrategy Incorporated (the “Company”) issued 8.00% series A perpetual strike preferred stock (“STRK”) in a public offering. The STRK shares accrue cumulative dividends at a rate per annum equal to 8.00%, payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, beginning on March 31, 2025. On March 10, 2025, the Company entered into a sales agreement with agents pursuant to which the Company could issue and sell shares of STRK through an at-the-market equity offering program. On March 31, 2025, the Company paid a quarterly cash dividend of \$1.24 per share to shareholders of record as of March 15, 2025 on the Company’s STRK shares (the “Q1 2025 Dividend”). The Company expects that the Q1 2025 Dividend will be a non-taxable return of capital to the extent of a preferred shareholder’s tax basis in each share of STRK preferred stock.

**Form 9937, Part II, Line 15**

The character of a distribution as either a dividend or return of capital for federal income tax purposes depends on the Company’s estimate of current and accumulated earnings and profits (“E&P”) for its full tax year in the year of the distribution. The information set forth in this Form is based on estimates as of the time this Form is filed with the Internal Revenue Service (“IRS”) or made publicly available in lieu of filing with the IRS. Estimates can change throughout the year and, to the extent the Company’s estimates change, the Company will file a corrected Form for impacted distributions pursuant to applicable Treasury Regulations.

Based on current estimates, the Company will have zero current and accumulated E&P in its taxable year ending December 31, 2025 and, accordingly, 100% of the distribution will be characterized as a return of capital for federal income tax purposes, to the extent of a recipient shareholder’s tax basis in their STRK shares. Tax basis in the STRK shares will be reduced by the amount of the distribution under section 301(c)(2) of the Code. Any amount of the Q1 2025 Dividend distribution paid in excess of a shareholder’s tax basis in its STRK shares will be treated as capital gain for U.S. federal income tax purposes under section 301(c)(3) of the Code.

*Shareholders should consult their own tax advisors to determine the income tax consequences for their specific situation. The Company is providing this Form for informational purposes only and not as legal or tax advice.*

**Form 8937, Part II, Line 16**

Pursuant to sections 301(c) and 316(a) of the Code, the taxability of the Q1 2025 Dividend distribution to each recipient shareholder is based on estimates of the Company's current and accumulated E&P for its 2025 taxable year, as computed for U.S. federal income tax purposes at the time of the distribution. The Company's estimated current and accumulated E&P applicable to the Q1 2025 Dividend distribution supports the disclosure that all of the March 31, 2025 distribution should be characterized as a non-taxable return of capital to the extent of each shareholder's tax basis in its STRK shares under section 301(c)(2) of the Code, followed by treatment as capital gain to the recipient shareholder under section 301(c)(3) of the Code to the extent the amount of the distribution exceeds such shareholder's tax basis in STRK shares.

**Form 8937, Part II, Line 17**

Internal Revenue Code sections 301(c) and 316(a).

**Form 8937, Part II, Line 18**

N/A

**Form 8937, Part II, Line 19**

The information on lines 14, 15, 16, and 17 will be reflected at the individual shareholder level on the shareholder's 2025 Form 1099-DIV. Additionally, copies of Form 1042-S, as required, will be furnished to certain non-U.S. holders of the Company's STRK shares who received the Q1 2025 Dividend.

*Shareholders should consult their own tax advisors to determine the income tax consequences of their specific situation. The information contained in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for purposes of avoiding penalties under the Internal Revenue Code of 1986, as amended.*