

Strategy[₿]

Q4 2024

Financial Results

February 5, 2025



Strategy Q4 2024 Earnings Call

Safe Harbor Statement

FORWARD-LOOKING STATEMENTS

Some of the information we provide in this presentation regarding our future expectations, plans, and prospects 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 our most recent Quarterly Report on Form 10-Q filed with the SEC on October 31, 2024, and our current report on Form 8-K filed with the SEC on January 6, 2025. We assume no obligation to update these forward-looking statements, which speak only as of today.

Also, in this presentation, we will refer to certain non-GAAP financial measures. Reconciliations showing GAAP versus non-GAAP results are available in our earnings release and the appendix of this presentation, which were issued today and are available on our website at www.strategy.com.

Business Overview

Phong Le, President & Chief Executive Officer

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Featured Categories



Introducing the New Strategy Website

Strategy.com

MSTR

BTC

DEBT

ASSETS

OPTIONS

CHARTS

HISTORY

PURCHASES

NOTES

MSTR Price

\$348.31

+\$1.22 (0.35%)

3 Month Return

56%

1 Year Return

610%

BSE Return

2,718%

Market Cap (\$M)

\$87,896

+\$280 (0.35%)

Enterprise Value (\$M)

\$95,865

+\$280 (0.35%)

Trading Volume (\$M)

\$4,345

+\$1,146 (22.25%)

Avg Trading Vol (30D) (\$M)

\$6,547

-\$136 (-2.04%)

Bitcoin Price

\$97,860

-\$3,555 (-3.51%)

Bitcoin Count

₿471,107

Bitcoin NAV (\$M)

\$46,103

-\$1,675 (-3.51%)

mNAV

2.08

+0.25 (13.89%)

Debt (\$M)

\$7,274

Pref (\$M)

\$730

(Debt + Pref)/Market Cap

9%

(Debt + Pref)/Bitcoin NAV

17%

Implied Volatility

90%

Historic Volatility (30D)

109%

Open Interest (\$M)

\$72,818

+\$255 (0.35%)

Introducing the New Strategy Software Website

StrategySoftware.com

The screenshot shows the Strategy Software website with a navigation menu at the top: AI+BI, Solutions, Resources, Partners, About, Merch, a search icon, a user profile 'JE', and a 'Let's Talk' button. The main content area features the Strategy logo and the headline: "Meet the only Embedded Intelligence Strategy you'll ever need." Below this is the sub-headline "MicroStrategy is now Strategy." and a "Learn more" button. To the right, a chatbot interface is shown with a question: "What was Ben's purchase history over last year?" and a bar chart showing Net Sales and Returns & Exchange for each quarter of 2024.

Quarter	Net Sales	Returns & Exchange
Q4	\$369.97	\$149.99
Q3	\$345.48	\$99.99
Q2	\$89.99	\$0.00
Q1	\$210.00	\$30.00

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Strategy[₿]

WORLD

2025

Orlando
May 5-8

BITCOIN

FOR CORPORATIONS

Corporate Highlights

Software Cloud Transition

Q4 57% YOY increase in Current Subscription Billings and 48% YOY increase in Subscription Services Revenues

Fair Value Accounting

Adoption of FASB Fair Value Accounting starting Q1 2025

Inclusion in Nasdaq 100

Added to index on Dec 23, 2024

New Board of Directors

Three new Directors appointed to the Board

Authorized Shares Increase

Increase in authorized Class A common stock from 330M to 10.33B and authorized perpetual stock from 5M to 1.005B

Bitcoin Highlights

Bitcoin Holdings

471,107

Acquired for a total cost of \$30.4 billion, or \$64,511 per bitcoin as of February 2, 2025

- Acquired 258,320 bitcoin in 2024 for ~\$22.1B at average price of \$85,447
- Current market value of bitcoin holdings ~\$46B⁽¹⁾
- Largest corporate holder of bitcoin in the world

Capital Market Activities

Advancement of Bitcoin Strategy
2024 + QTD 2025

- Raised \$18.8B via ATM class A common stock sales⁽²⁾
- Raised \$6.2B through 5 convertible notes offerings
- Repaid \$500M senior secured notes due 2028
- Called \$1.7B of convertible notes due 2025 & 2027
- Raised \$584M via perpetual preferred stock sales⁽³⁾
- Announced \$42B capital raising target

(1) Based on BTC price of \$98,700 as of February 4, 2025.

(2) As of 8-K filed on February 3, 2025

(3) In Q1 2025.

STRK (“Strike”) Convertible Preferred Stock

MSTR Upside Exposure with Fixed Dividend

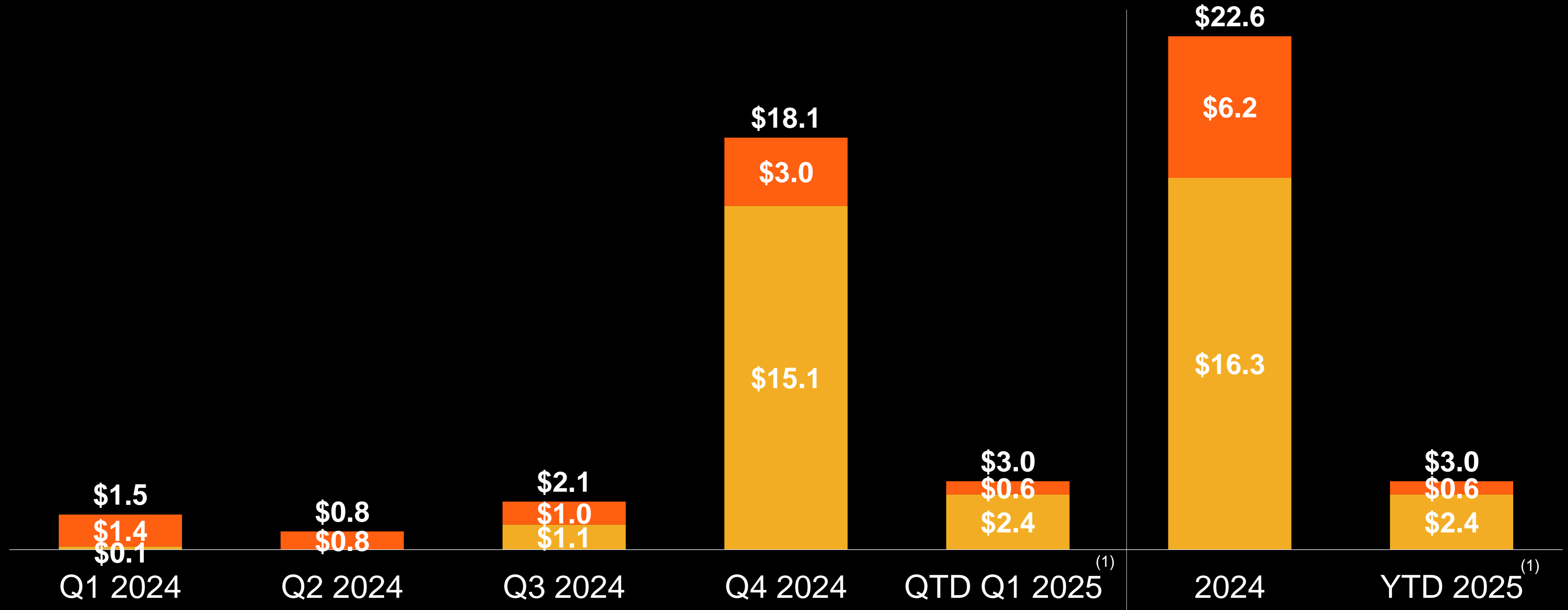
Description of Strike

- Perpetual preferred stock that is convertible into MSTR common stock at a **conversion ratio of 10:1**
- Provides investors with an embedded **perpetual call option** on one of the most volatile and liquid large cap stocks in the world
- Attractive **fixed dividend yield of 8%**
- Issued **7,300,000 shares** (upsized from original offer of 2,500,000 shares) at a public offering price of **\$80.00 per share**
- Net proceeds from the offering will be approximately **\$563.4 million**
- Expected to be listed on **Nasdaq under ticker STRK** starting Feb 6, 2025

Robust Access to Capital Markets

Raised \$21.1B since October 30, 2024

■ Equity Issued (\$B) ■ Fixed Income Issued (\$B)



(1) As of February 2, 2025.

Bitcoin Treasury Company

Strategy's unique value proposition

Bitcoin Treasury Company ⁽¹⁾

Fixed Income

\$8.6B of total debt issued
(of which \$6.2B aggregate
principal amount is
outstanding ⁽²⁾)

\$584M of preferred equity
issued

Equity

\$21.7B of equity issued

Cash

\$836M total excess cash
on balance sheet invested

\$31 Billion⁽³⁾ of Capital Raised to Increase Bitcoin Holdings and Shareholder Value

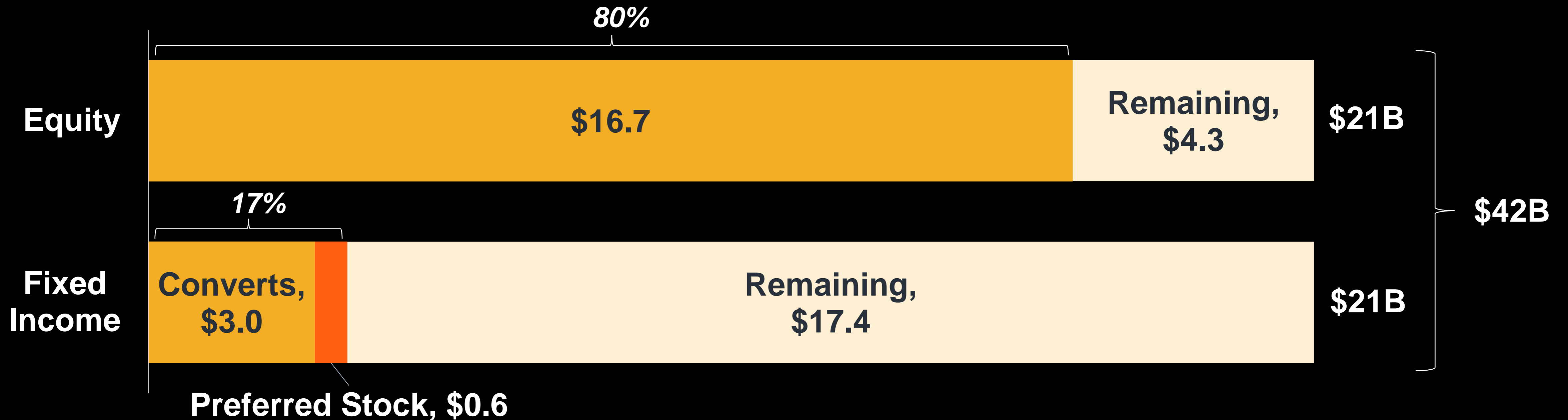
(1) Our activities include bitcoin acquisitions using proceeds from equity and debt financings, bitcoin advocacy, and software development and innovation related to BI, AI, Cloud, and Bitcoin.

(2) Excludes \$1.05 billion of 0.0% Convertible Senior Notes due 2027 (the "2027 Notes"). On January 24, 2025, Strategy announced that it delivered a notice of full redemption to the trustee of the 2027 Notes.

(3) Excludes \$500 million of capital used to redeem Senior Secured Notes due 2028.

21/21 Capital Raising Plan Progress

Capital issued & remaining available (\$ billion) under 21/21 Plan



- Our capital markets activities outpaced our original plan as we grew rapidly and responsibly based on the market dynamics
- We issued \$16.7B equity and \$3.6B fixed income securities from the 21/21 Plan in three months since October 30, 2024
- **Long-term leverage ratio⁽¹⁾ target of 20-30%** through issuance of fixed income securities in 2025

(1) Leverage ratio is the ratio of total debt and total preferred outstanding to the value of our Bitcoin holdings.

Financial Results

Andrew Kang, Executive VP & Chief Financial Officer

Software Highlights

Q4 2024

(\$ in Millions)

Total Revenues

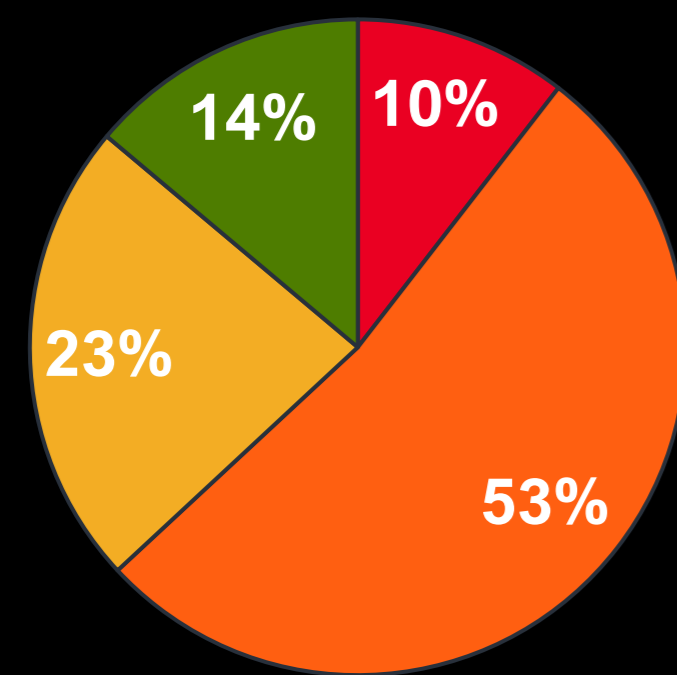
\$120.7M

Q4 2024 Total Revenues
3% YoY decrease

\$463.5M

FY 2024 Total Revenues
7% YoY decrease

FY 2024



- Product Licenses
- Support
- Subscription Services
- Other Services

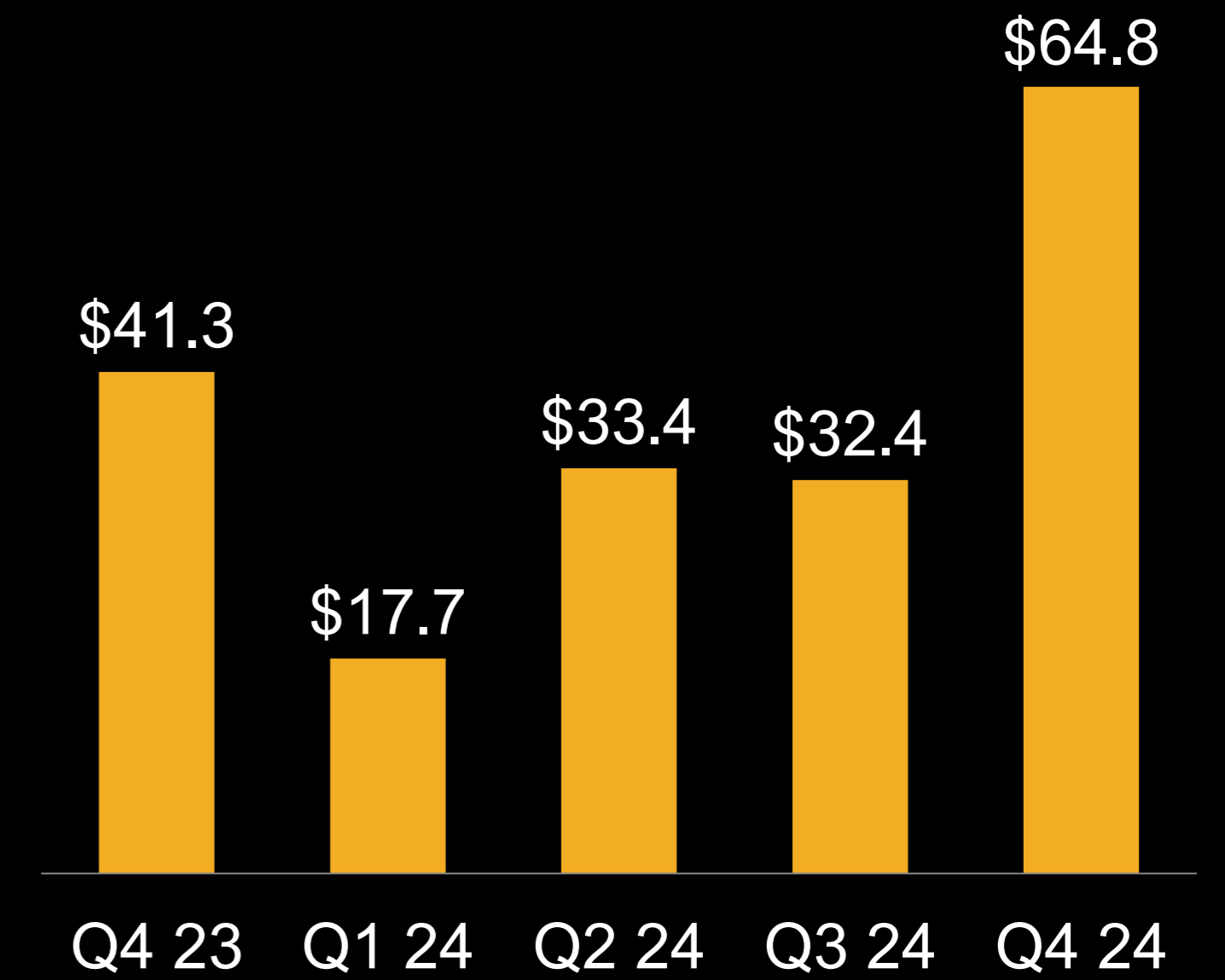
Subscription Services Revenues

Q4 2024 **+48%** YOY increase



Non-GAAP Subscription Billings⁽¹⁾

Q4 2024 **+57%** YOY increase



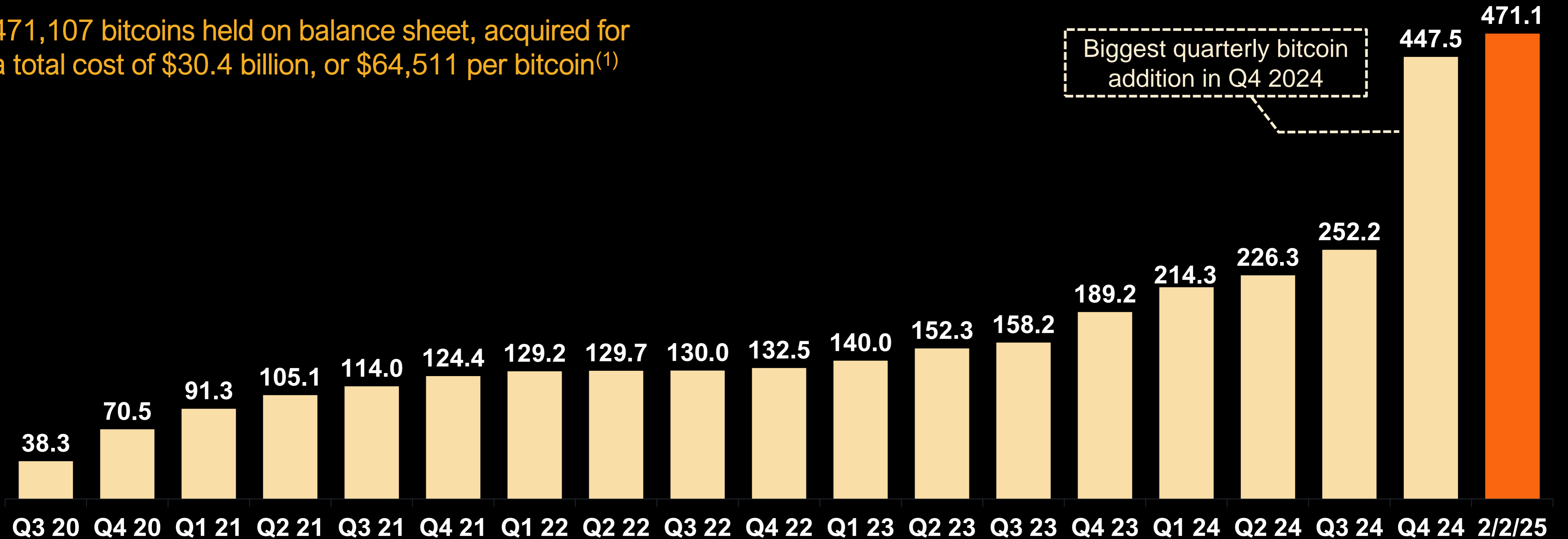
(1) Please refer to the Appendix for a reconciliation of Subscription Services Revenues to Non-GAAP Subscription Billings.

Growth in Bitcoin Strategic Treasury Reserve

MSTR has acquired additional bitcoin in every quarter since Q3 2020

Bitcoin Holdings (in '000s)

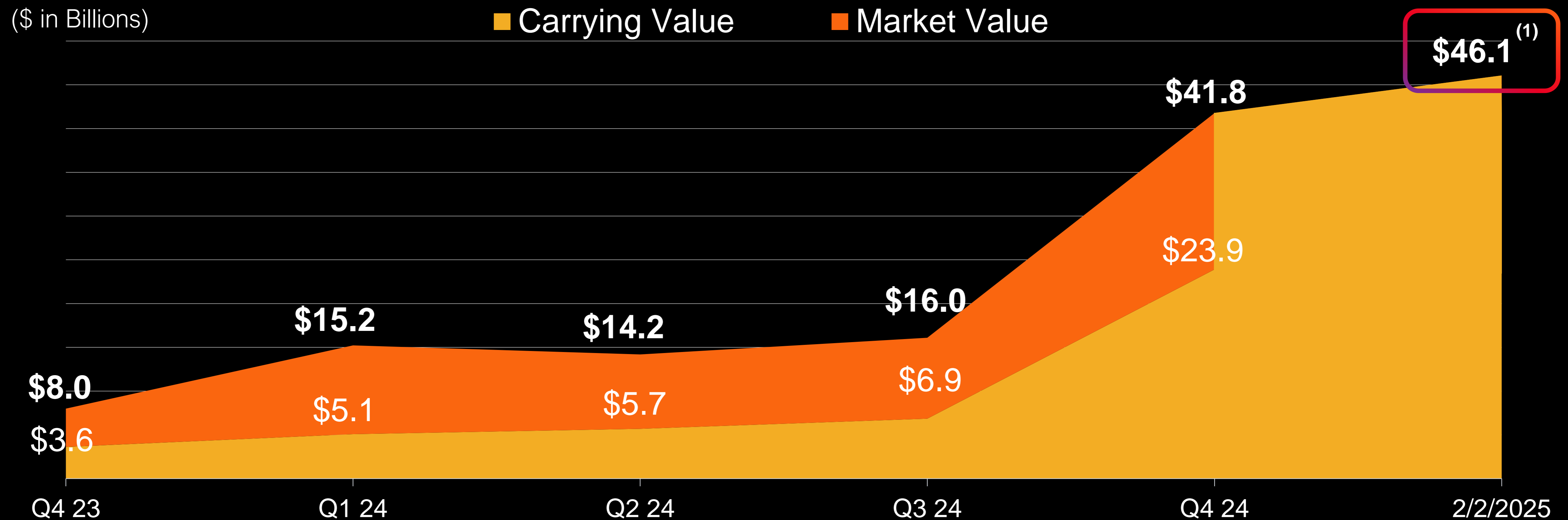
471,107 bitcoins held on balance sheet, acquired for a total cost of \$30.4 billion, or \$64,511 per bitcoin⁽¹⁾



(1) As of February 2, 2025.

Market Value of Bitcoin Holdings

- Current market value of \$46.1 billion with an aggregate cost of \$30.4 billion as of February 2, 2025
- Adopted fair value accounting on January 1, 2025 and recognized a cumulative adjustment to the opening balance of our retained earnings of \$12.745 billion
- Carrying value will now equal the market value at the end of each quarter under the new accounting rules



Note: Calculations are based on prices as of 4pm Eastern Time on the last day of the respective quarter or date noted.

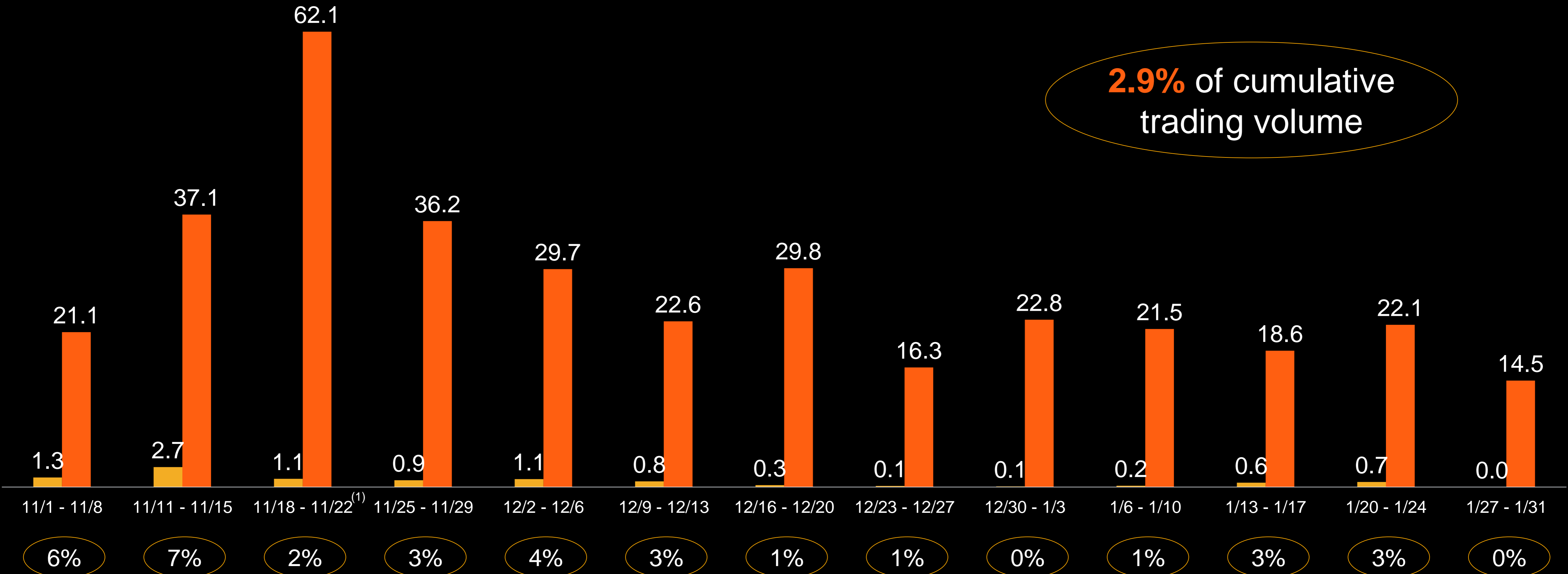
(1) The carrying value presented for 2/4/25 equals the 1/1/25 market value of our bitcoin (new carrying value) plus the cost of bitcoin purchased since 1/1/25 (\$2.4 billion) for a total carrying value of \$44.2 billion at 2/4/25. This carrying value will be adjusted to market value at 3/31/25.

ATM Equity Offering vs. Trading Volume

MSTR issues new shares responsibly subject to market dynamics to achieve positive BTC Yield

■ Avg. Daily ATM Shares Issued ('000,000)

■ Avg. Daily Trading Volume ('000,000)



2.9% of cumulative trading volume

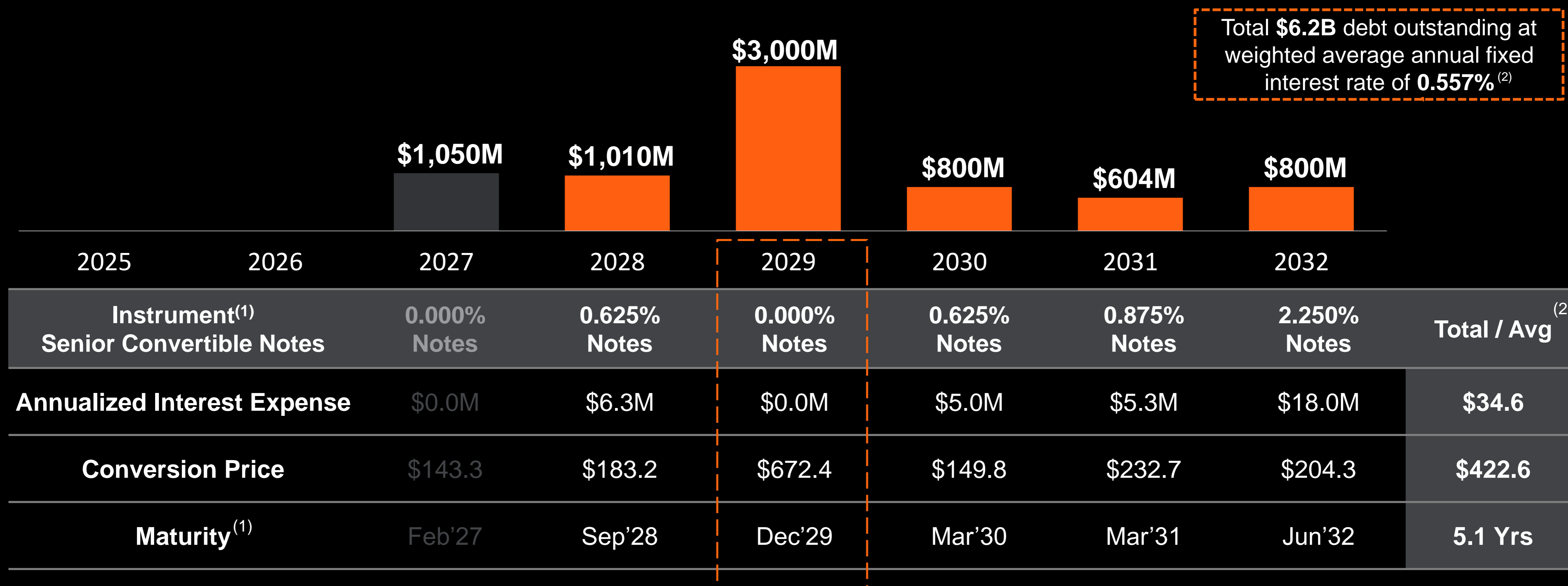
Shares Issued as % of Trading Volume

Source: FactSet.

(1) Excludes any future share dilution impact from convertible debt due 2029 issued during this period.

Strong Capital Structure

- Issued \$3B convertible senior notes due 2029 and issued \$15.1B shares of class A common stock under ATM in Q4 2024
- Called the \$1.05B convertible senior notes due 2027, electing the conversion to common stock
- Low blended cost of interest for all convertible notes



(1) Please refer to the Q3 2024 10-Q for a description of the investor controlled put option on the convertible notes. Excludes \$9.9M principal amount and interest payable on our other long-term secured debt.

(2) Excludes \$1.05 billion of 0.0% Convertible Senior Notes due 2027 (the "2027 Notes"). On January 24, 2025, Strategy announced that it delivered a notice of full redemption to the trustee of the 2027 Notes.

STRK (“Strike”): Convertible Preferred Stock

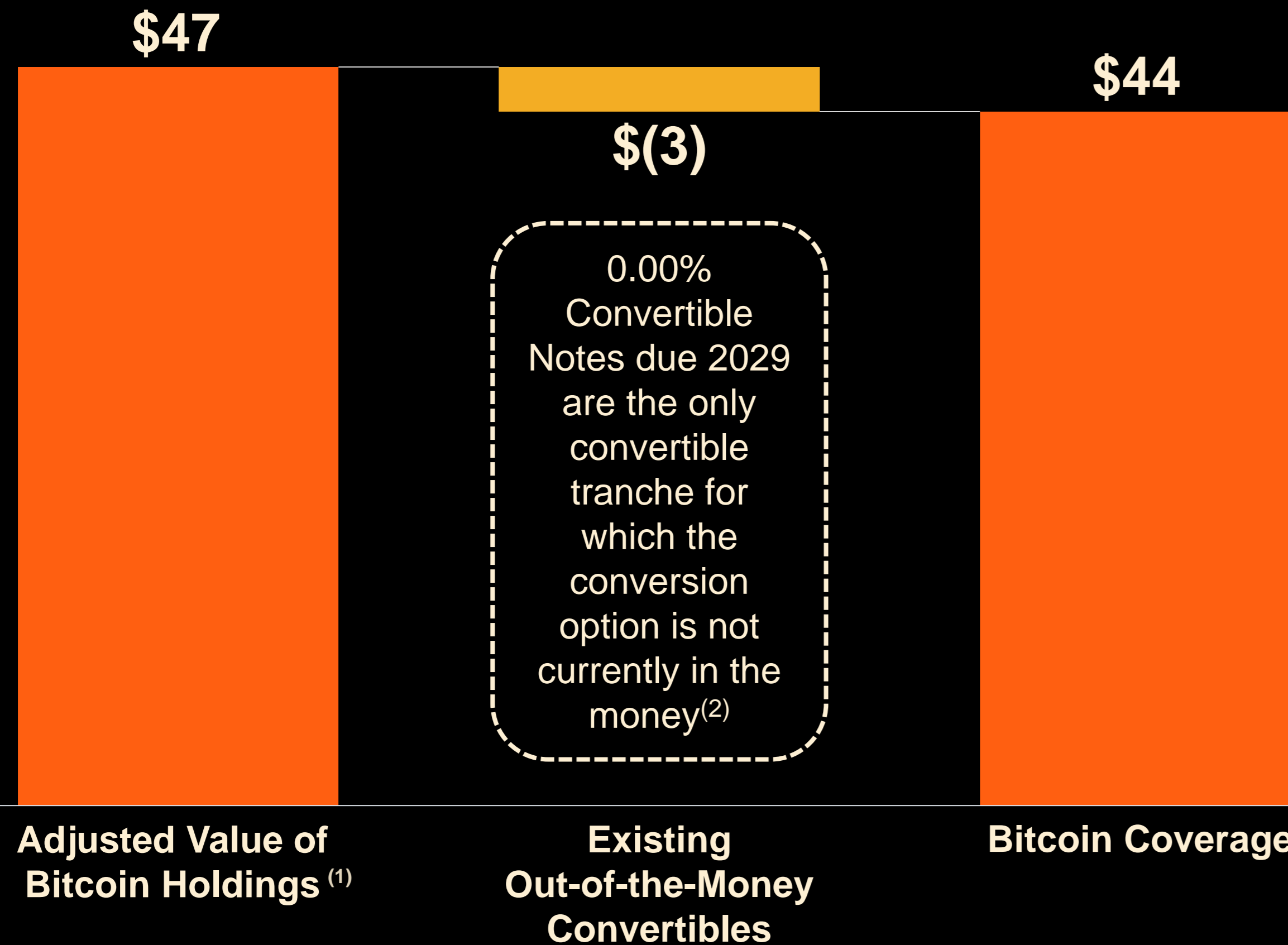
Summary Terms

Security	Series A Perpetual Strike Preferred Stock (STRK)
Liquidation Preference	\$100.00 per share
Offering Price	\$80.00 per share
Number of Shares	7,300,000
Aggregate Liq. Preference	\$730,000,000
Gross Proceeds	\$584,000,000
Ranking	Preferred stock; senior to MSTR common stock, junior to MSTR converts
Dividend	8% fixed, payable in cash or MSTR common stock (@ 95% of stock price) at MSTR’s election
Dividend Deferral	Any deferred dividends are cumulative. Dividends not able to be deferred to the extent company has raised equity proceeds over prior 90 days
Conversion	Convertible into 1/10th of a share of MSTR stock at a conversion price of \$1,000 (194% conversion premium)
Call Option	Not callable except for certain adverse tax scenarios or if < 25% of STRK remains outstanding
Governance Rights	Holder can elect 1 board member after 4 consecutive missed dividend payments and another board member after 8 consecutive missed dividends
Lock-up	30 days for Company solely related to future issuances of STRK
Distribution	SEC Registered
Listing	Expected to be listed on Nasdaq under ticker STRK starting Feb 6, 2025

Bitcoin Debt Coverage

Strategy's bitcoin holdings at \$98,700 per bitcoin provide significant coverage of its indebtedness

Bitcoin Debt Coverage (\$B)



$$\frac{\$47\text{BN BTC}}{\$3\text{BN Out-of-Money Converts}} = \sim 15\text{x Coverage}$$

Note: Information presented on this slide is provided for illustrative purposes only. Actual results may vary materially from these illustrative results.

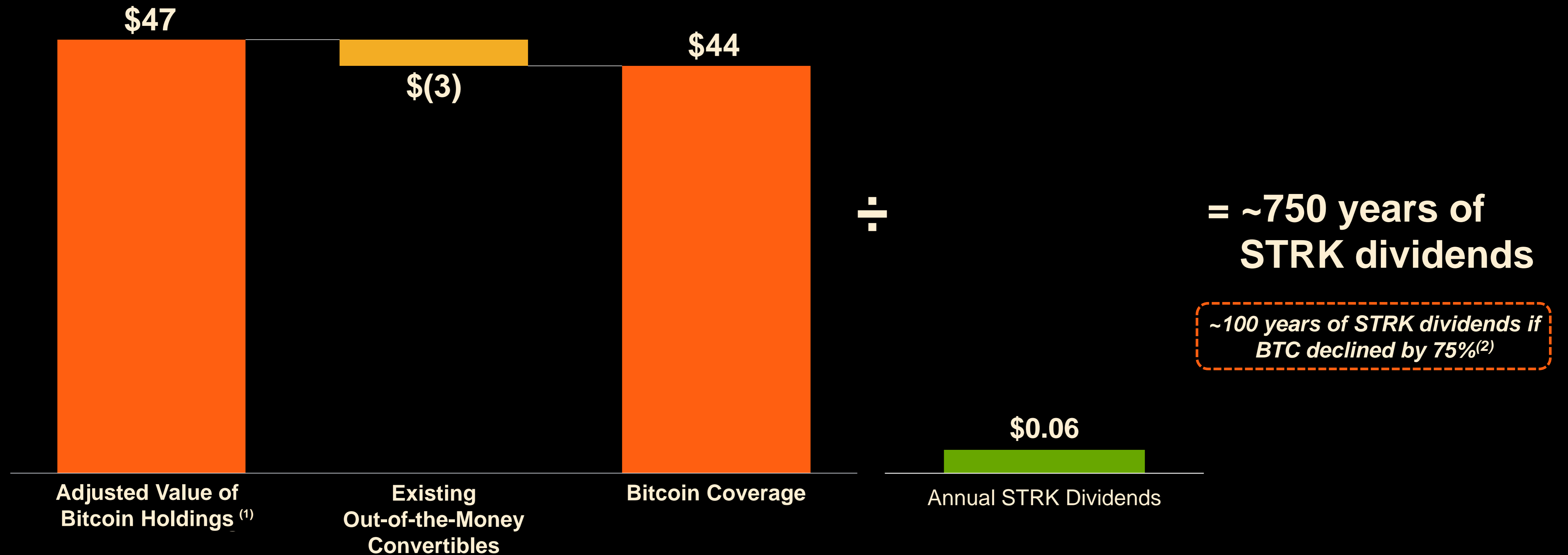
(1) Includes \$563.4M estimated bitcoin purchase with STRK proceeds.

(2) Based on the share price of \$348.31 as of 2/4/2025.

Bitcoin Dividend Coverage

Strategy's bitcoin holdings at \$98,700 per bitcoin provide significant coverage of future STRK dividends

Bitcoin Dividend Coverage (\$B)



(1) Includes \$563.4M estimated bitcoin purchase with STRK proceeds.

(2) Equal to 25% of \$46B pro forma bitcoin holdings, less \$6.2B of out-of-the-money convertibles, divided by annual STRK dividends. Excludes \$1B of 0.0% Convertible Notes due 2027 (the "2027 Notes"), as on January 24, 2025, Strategy announced that it delivered a notice of full redemption to the trustee of its outstanding 2027 Notes. Information presented on this slide is provided for illustrative purposes only. Actual results may vary materially from these illustrative results.

Strategy's Intelligent Leverage

Strategy prudently levers “up” or “down” for the benefit of common stock shareholders, with a long-term target leverage ratio of **20-30%** of Bitcoin holdings value

Total Debt (\$M)

\$6,214⁽¹⁾

Total Pref (\$M)

\$730

(Debt + Pref) / Market Cap

8%

(Debt + Pref) / Bitcoin Value

15%

Leveraging

- Issue new convertible debt or preferred equity
- Issue innovative fixed income securities
- BTC price decrease

De-leveraging

- Repay or convert existing debt to equity
- Issue equity through ATM offering to buy BTC
- BTC price increase

Note: As of February 4, 2025.

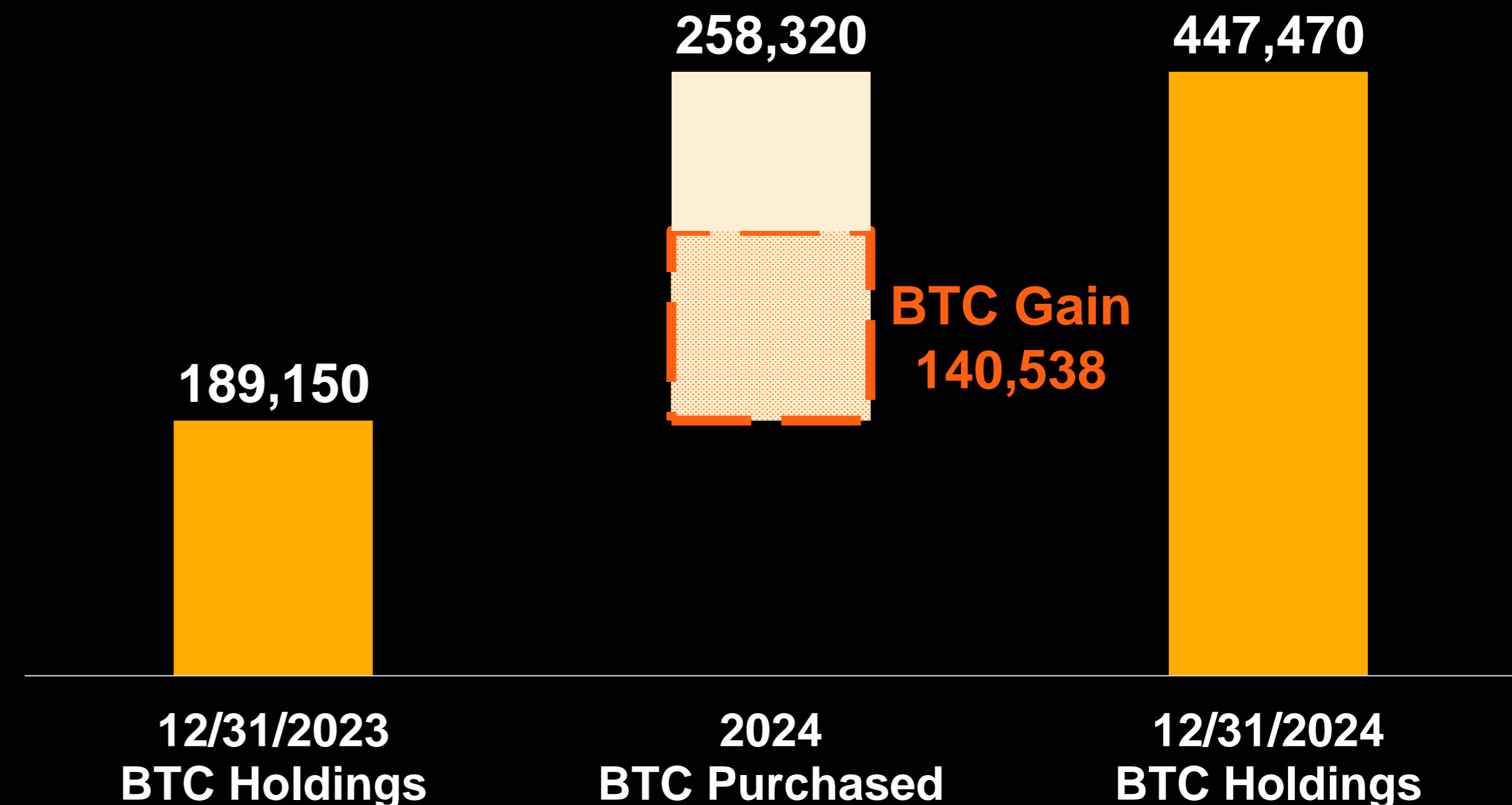
(1) Excludes \$1B of 0.0% Convertible Notes due 2027 (the “2027 Notes”), as on January 24, 2025, Strategy announced that it delivered a notice of full redemption to the trustee of its outstanding 2027 Notes.

BTC Key Performance Indicators (KPIs)

- **BTC Yield** is the % change, during a period, of the ratio between Bitcoin Holdings and Assumed Diluted Shares Outstanding
- **BTC Gain** is the number of bitcoins held by the Company at the beginning of a period multiplied by the BTC Yield for such period.
- **BTC \$ Gain** is the dollar value of the BTC Gain calculated based on the market price of bitcoin as of the end of the period.

$$\begin{array}{r}
 189,150 \text{ BTC Holdings} \\
 \times 74.3\% \text{ BTC Yield} \\
 = \mathbf{140,538} \text{ BTC Gain}
 \end{array}$$

$$\begin{array}{r}
 140,538 \text{ BTC Gain} \\
 \times \$93,400 \text{ BTC Price}^{(1)} \\
 = \mathbf{\$13.1B} \text{ BTC \$ Gain}^{(2)}
 \end{array}$$



(1) BTC Price as of 12/31/2024.

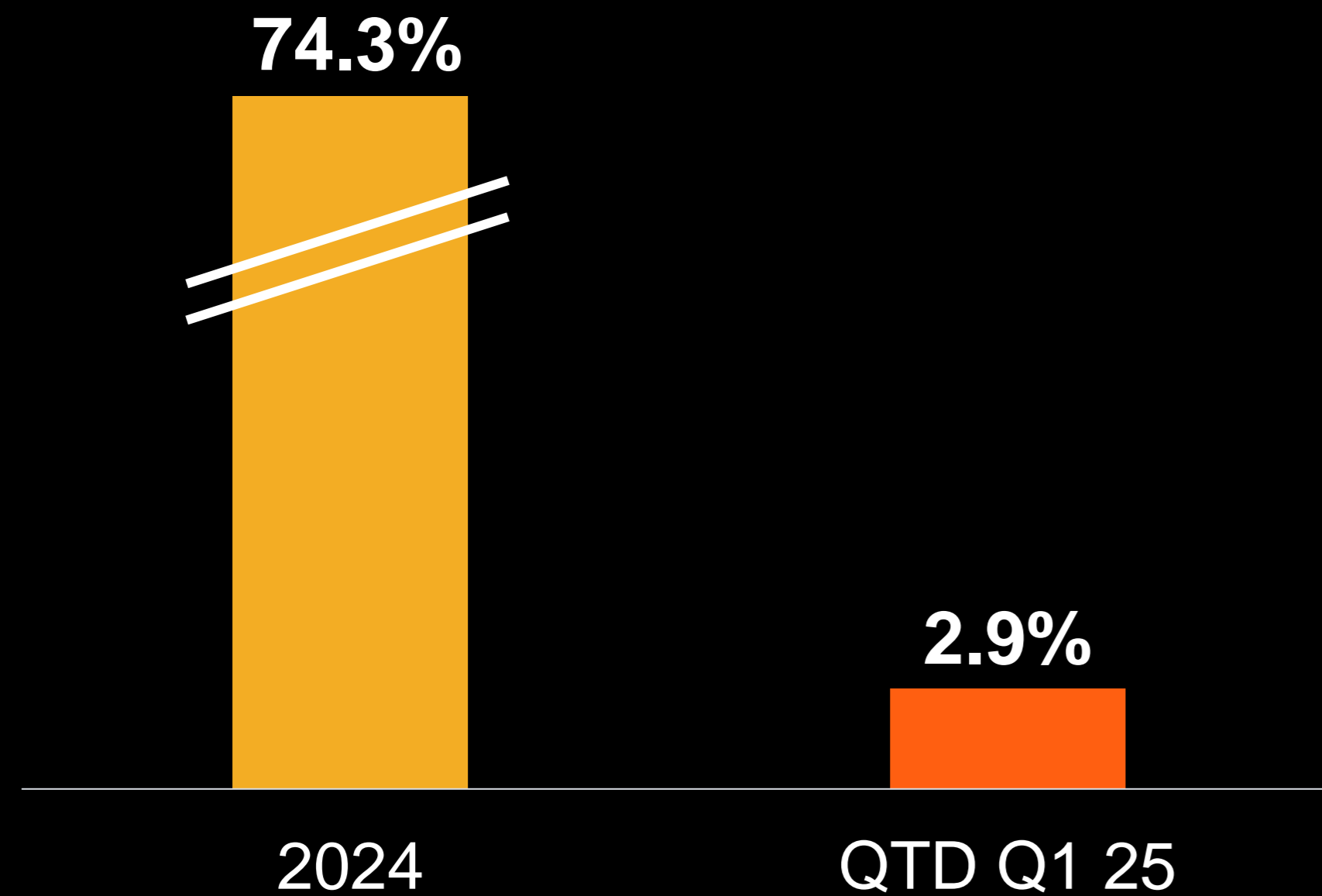
(2) Presented for illustrative purposes only. Not equivalent to "gain" in the traditional financial context. Does not represent the fair value gain on our bitcoin holdings.

BTC KPI Targets

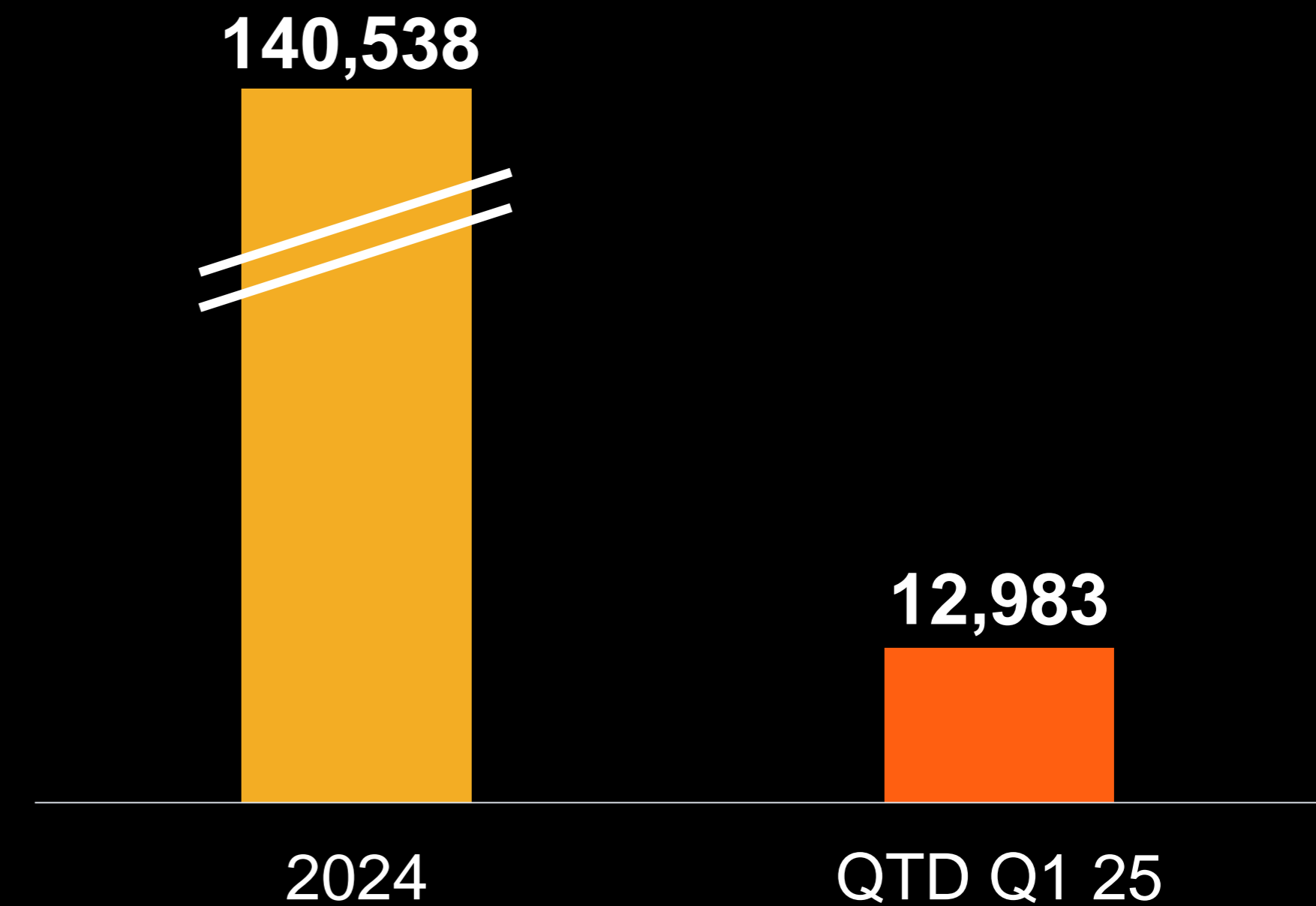
Reflects the incremental value generated through Strategy treasury operations

- Annual BTC Yield Target revised to minimum **15%** for 2025
- Annual BTC \$ Gain Target of **\$10 billion** for 2025

₿BTC Yield %



₿BTC \$ Gain



BTC Price	\$93,400	\$98,700
BTC \$ Gain ⁽¹⁾	\$13.1 billion	\$1.3 billion

(1) Presented for illustrative purposes only. Not equivalent to “gain” in the traditional financial context. Does not represent the fair value gain on our bitcoin holdings.

Strategy[₿]

Strategy & Bitcoin

Michael Saylor, Executive Chairman

BTC Developments in Last 12 Months

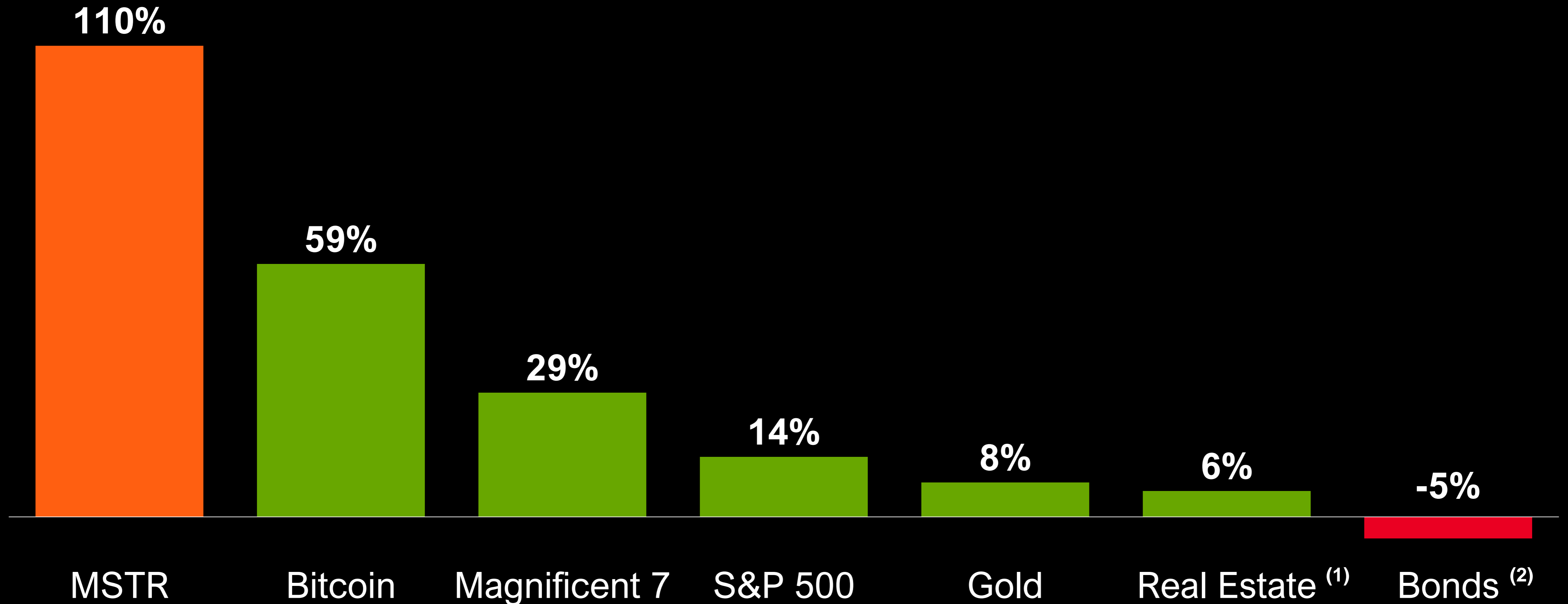
- Wall Street Adoption of ETFs
- FASB Fair Value Accounting
- Bitcoin President & Cabinet
- End to the War on Crypto
- 250+ Pro Crypto in Congress
- Repeal of SAB 121
- Bitcoin Strategic Reserve Bill
- Bitcoin Standard Companies
- Growing Bitcoin Awareness



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Annualized Asset Performance Chart Over Four Years

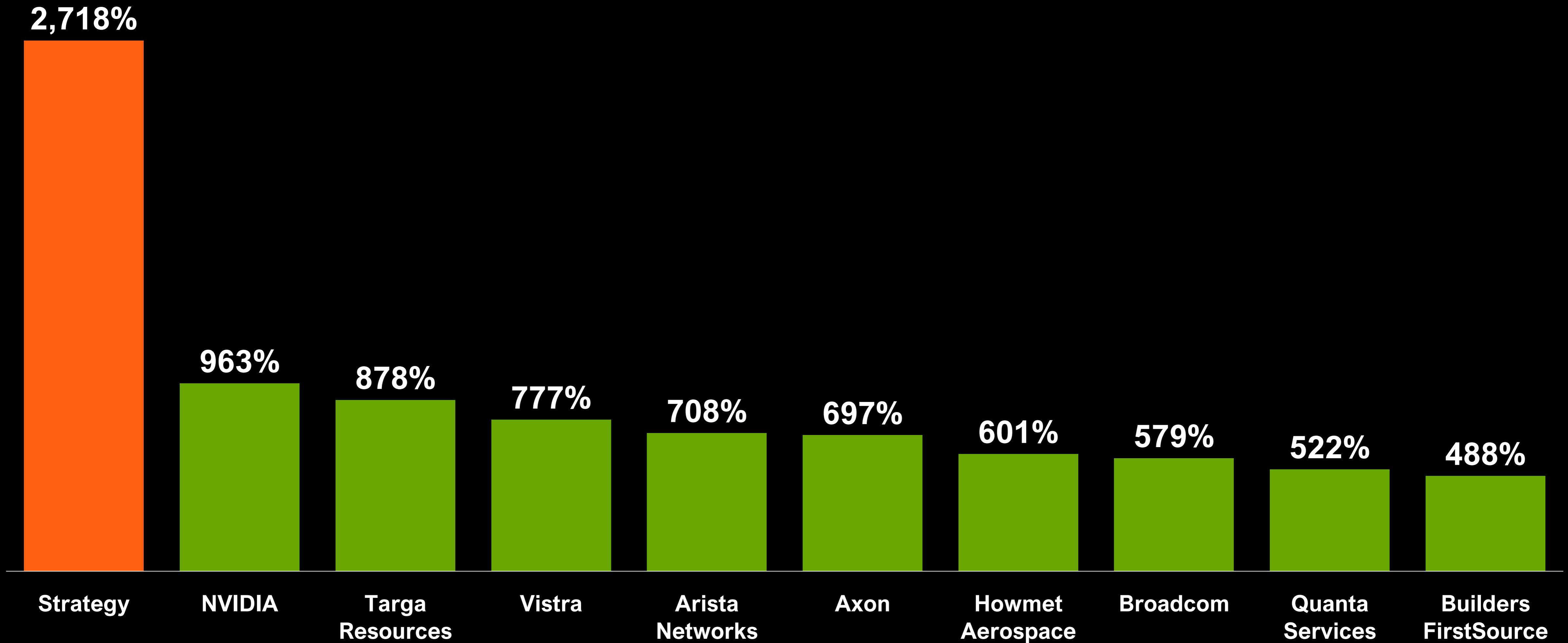


Performance since August 10, 2020, when Strategy adopted its bitcoin strategy.

Source: FactSet as of February 4, 2025.

(1) Real Estate refers to iShares Residential and Multisector Real Estate ETF (REZ), (2) Bonds refers to PIMCO Active Bond ETF (BOND).

Strategy vs. Top Performing Stocks in the S&P 500

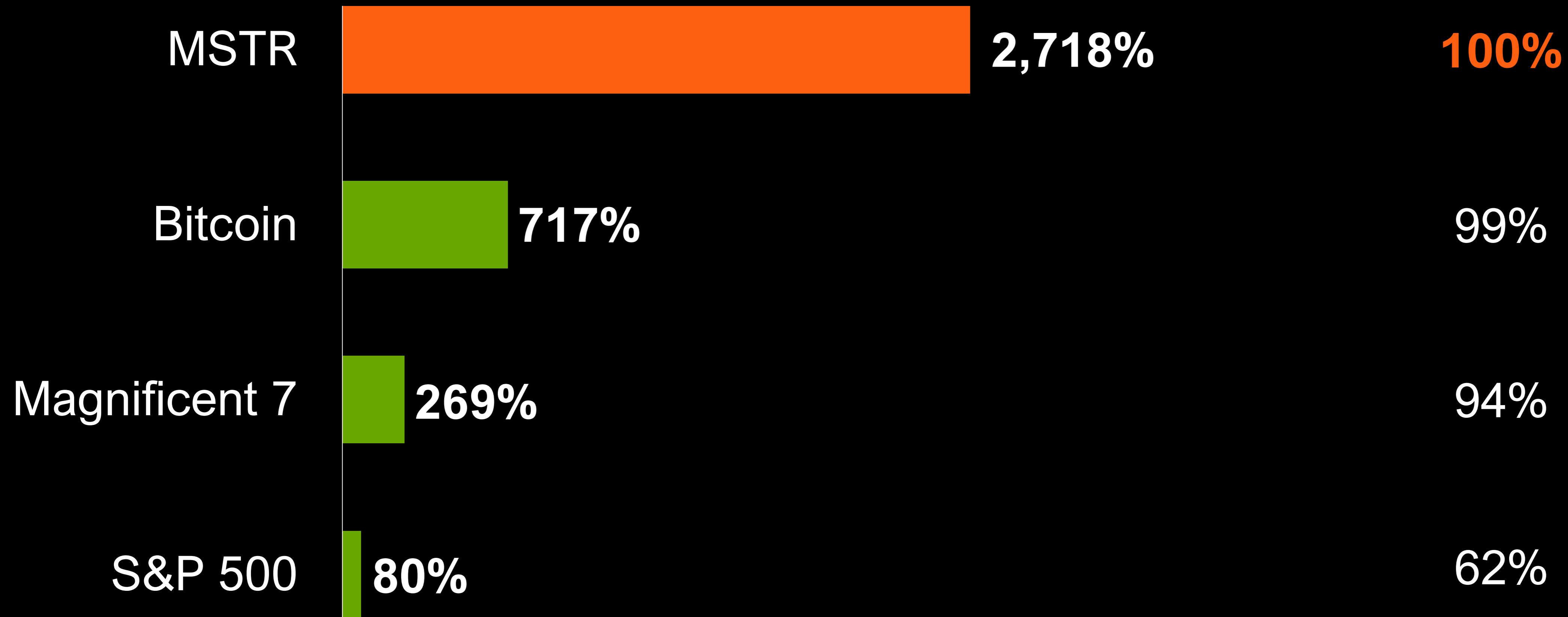


Performance since August 10, 2020, when Strategy adopted its bitcoin strategy.

Source: FactSet as of February 4, 2025.

Strategy Performance Since Adoption of Bitcoin Strategy

% of S&P 500 companies outperformed

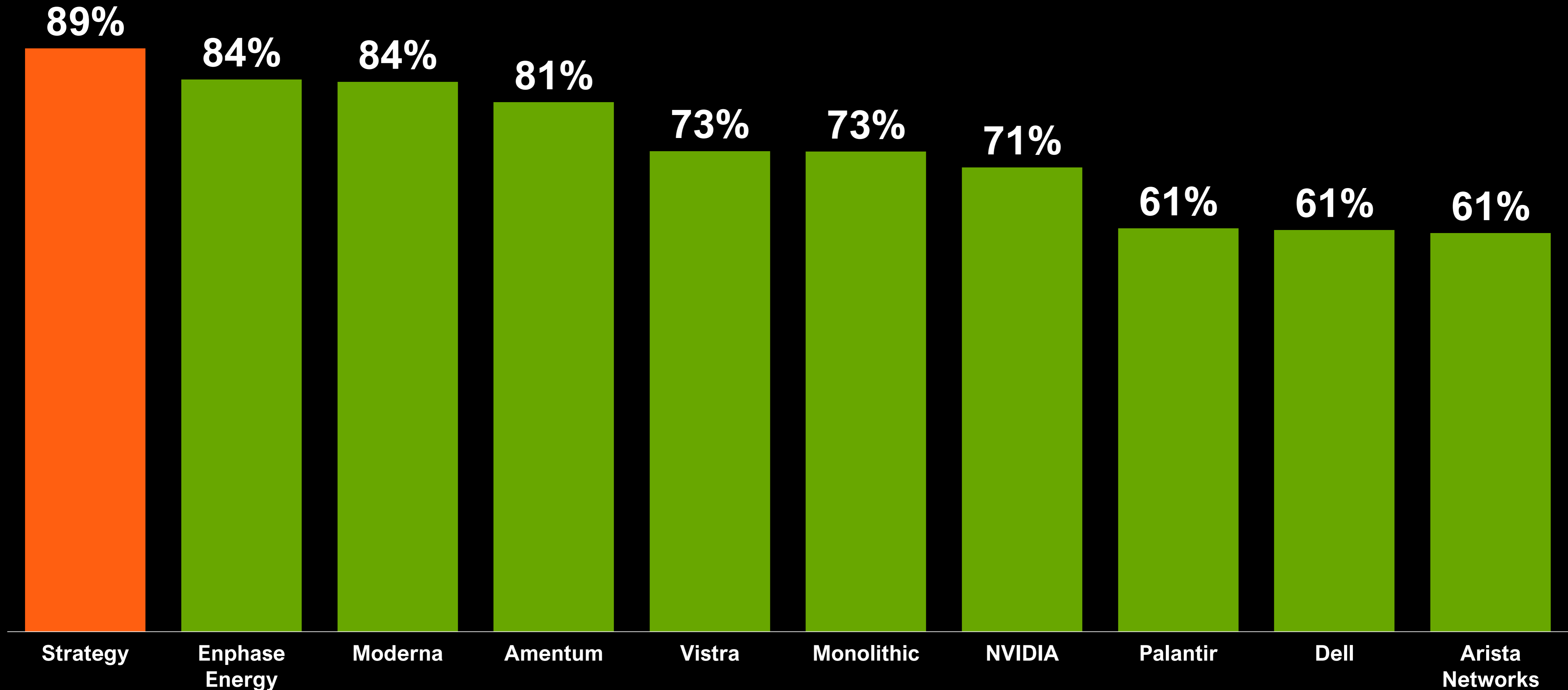


Stock performance since August 10, 2020, when Strategy adopted its bitcoin strategy.

Source: FactSet as of February 4, 2025.

MSTR is More Volatile than any S&P 500 Stock

Implied volatility for an at-the-money options contract with a 30-day expiration

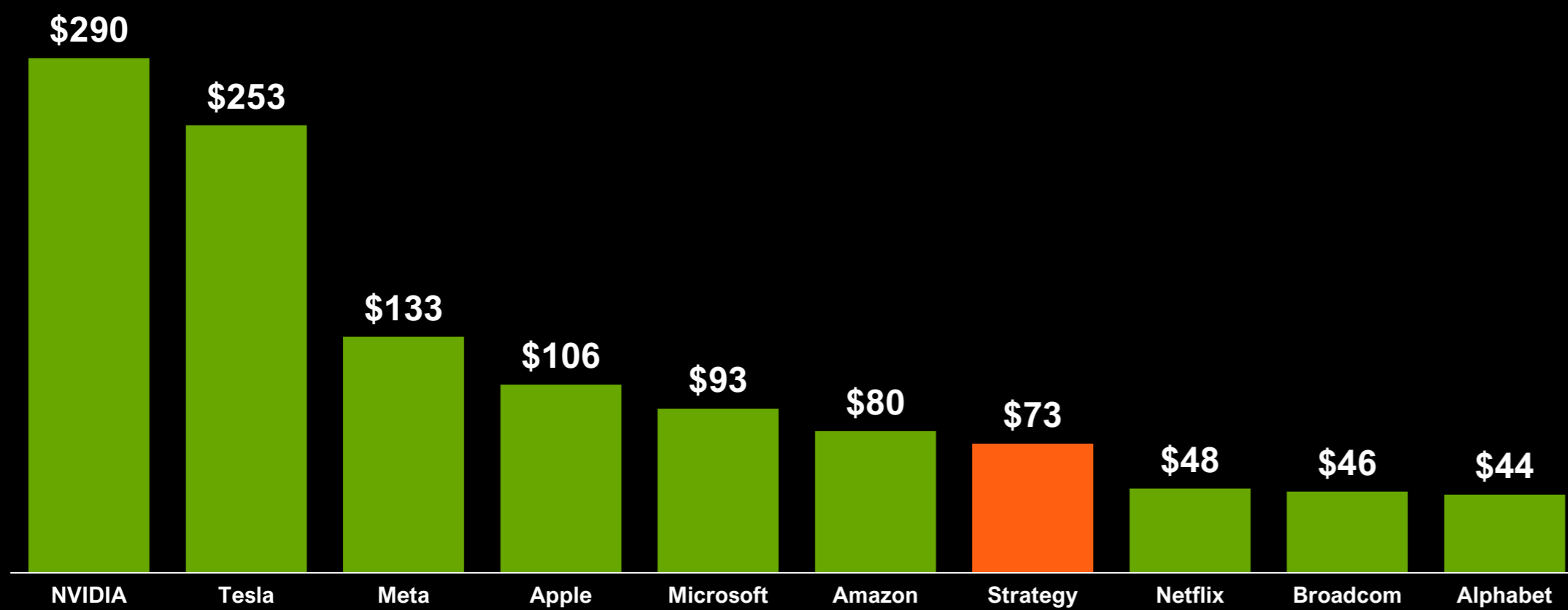


Source: FactSet as of February 4, 2025.

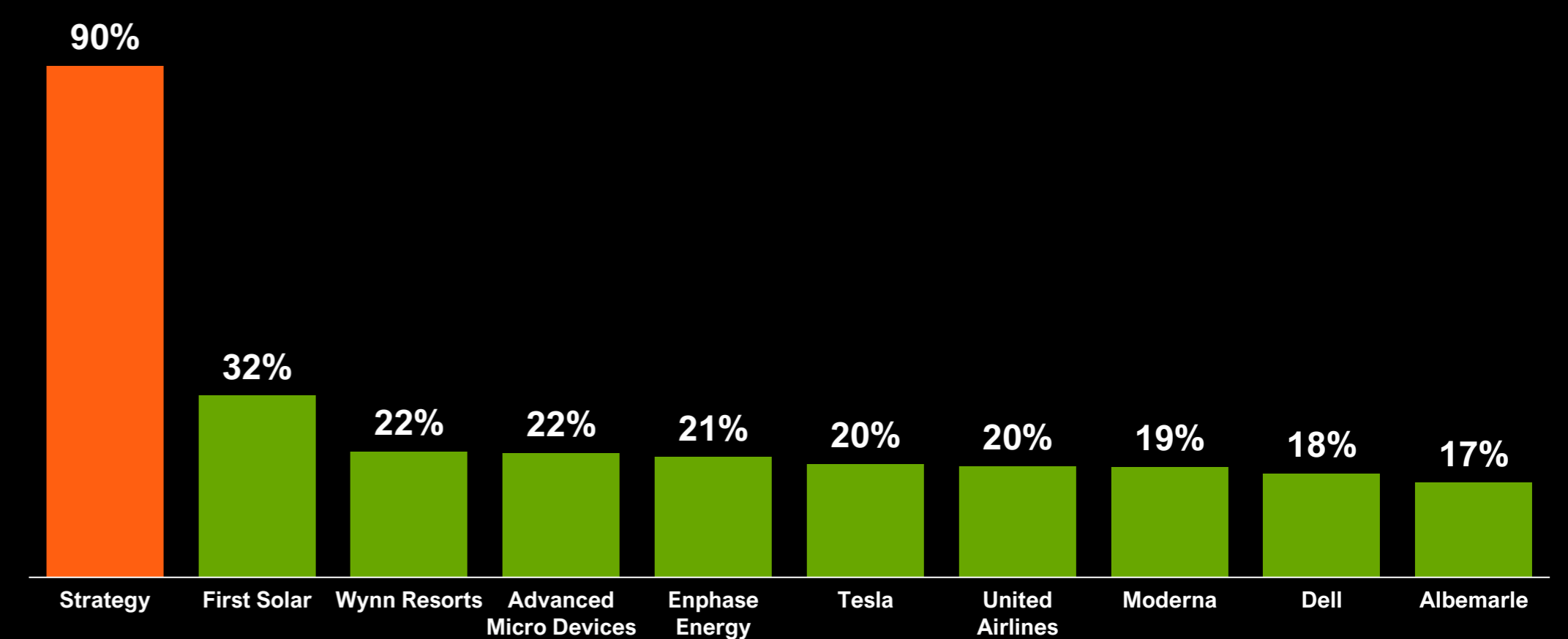
MSTR Volatility = Liquidity & Options Open Interest

Top performers: Comparing Strategy to the Top stocks in the S&P 500

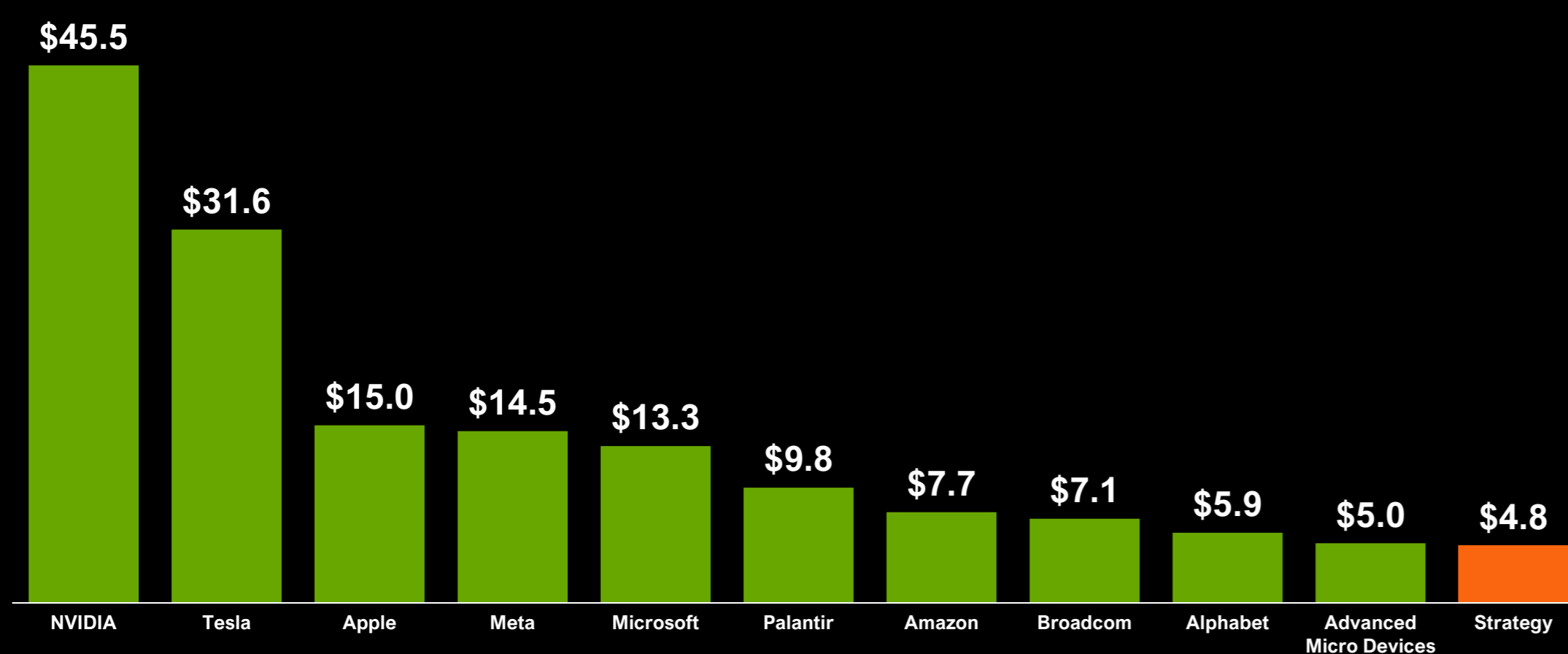
Options Open Interest (\$B)



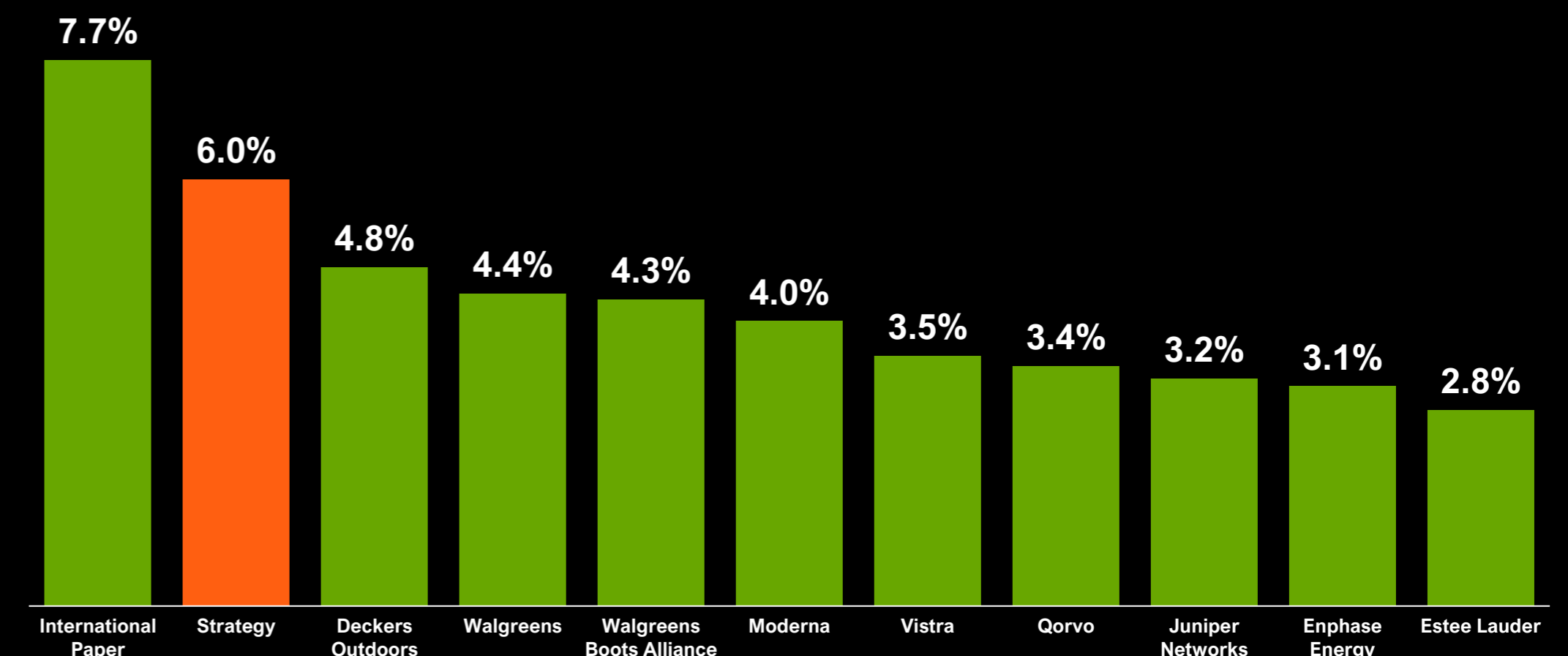
Options Open Interest as % of Market Cap



Daily Traded Volume (\$B)⁽¹⁾



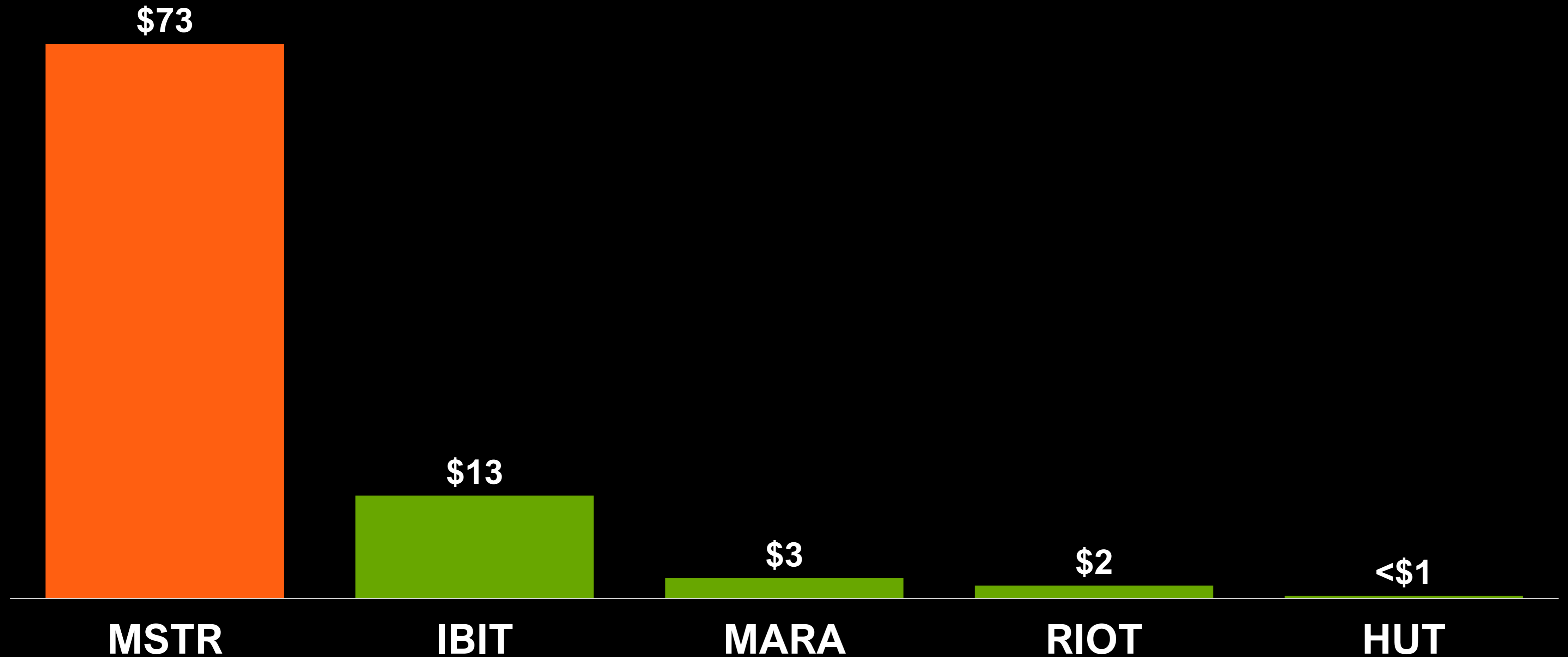
Daily Traded Volume⁽¹⁾ as % of Market Cap



Source: FactSet as of February 4, 2025. (1) Average trading volume over last 5 trading days.

Relative Size of Options Market

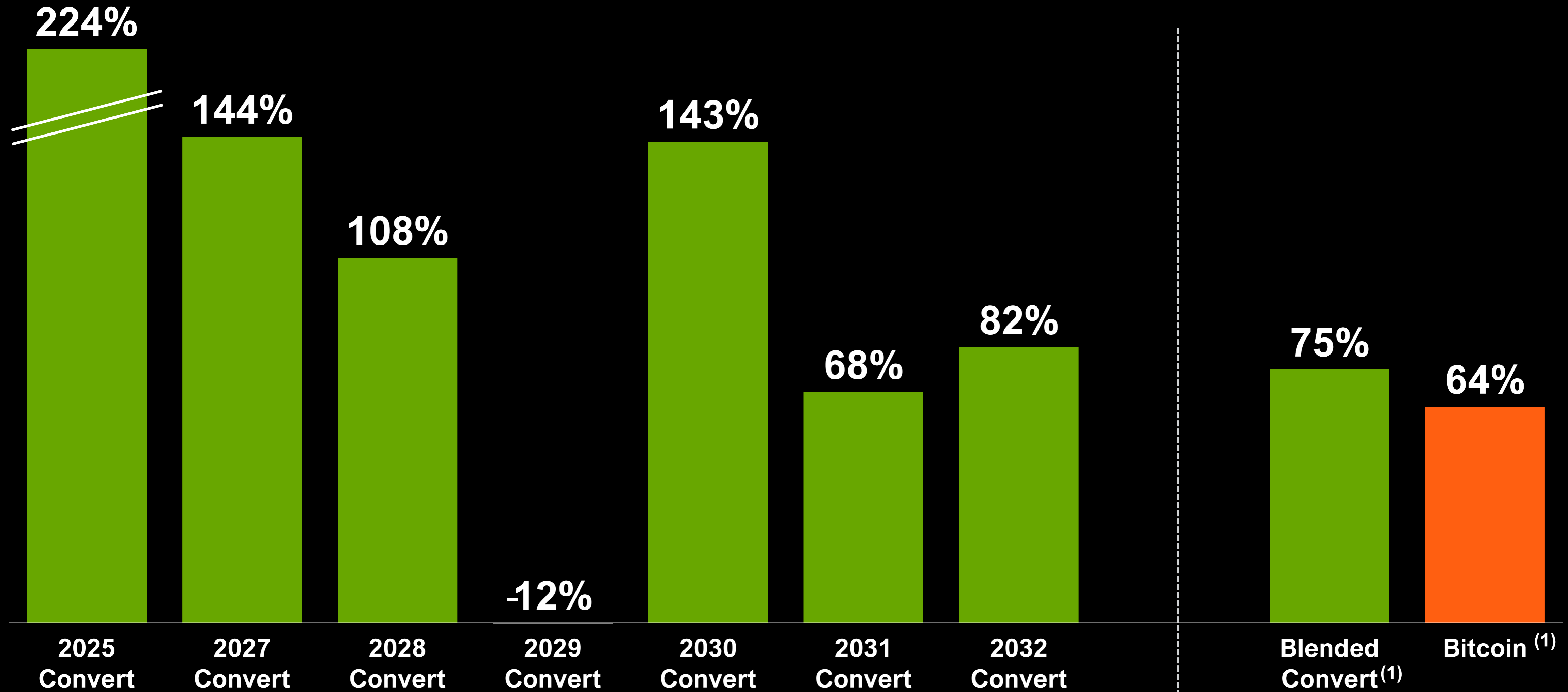
Comparing Options Open Interest of Strategy to other Bitcoin-related companies and ETPs (\$B)



Source: FactSet as of February 4, 2025.

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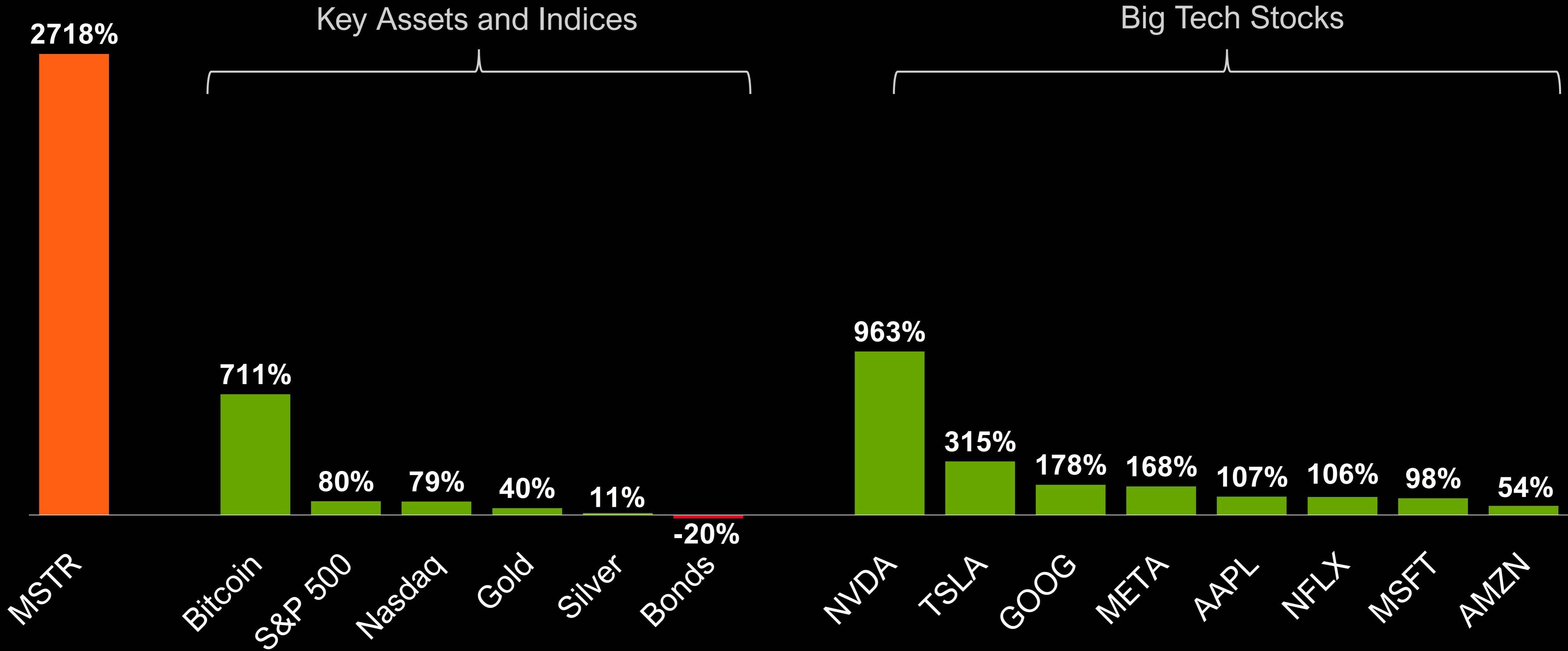
MSTR Convertible Bonds Performance Since Issuance



Source: FactSet as of February 4, 2025.

(1) Weighted average appreciation of the bonds and bitcoin from the respective issuance dates of bonds.

MSTR has outperformed all major assets and S&P 500 stocks



Asset performance since August 10, 2020, when Strategy adopted its bitcoin strategy.

Source: FactSet as of 4:00pm Eastern Time on February 4, 2025.

MSTR Performance Metrics⁽¹⁾

Annualized Return

110%

vs 59% for BTC

Options Market

5.6x

IBIT, #1 amongst Crypto Complex

BSE Return

2718%

Outperformed 100% S&P 500 stocks

Implied Volatility

89%

More Volatile vs all S&P 500

Options Open Interest

\$72 B

#7 vs top S&P 500

Options Open Interest as % of Market Cap

90%

#1 vs top S&P 500

Convertible Performance

75%

vs 64% for BTC

Daily Traded Volume⁽²⁾

\$4.8 B

#11 vs top S&P 500

Daily Traded Volume as % of Market Cap

6.0%

#2 vs top S&P 500

(1) As of February 4, 2025

(2) Average trading volume over last 5 trading days.

BTC 2025 Catalysts

- Digital Assets Framework
- Bitcoin ETF Enhancements
- Bitcoin Banking Support
- Bitcoin Corporate Adoption
- Bitcoin Institutional Adoption
- Bitcoin Global Adoption
- Bitcoin Political Support



Strategy Securities and the Capital Markets

Security

Strategies



Equity

Bitcoin, Magnificent 7, Options, Derivatives



Convertible

Bitcoin, Equity Index, Arbitrage, Hedge Funds, Alternatives



STRK

Preferred Stocks, High-Yield, Private Credit, Real Estate, Hedge Funds, Alternatives



Fixed Coupon*

Preferred Stocks, Corporate Debt, Real Estate, MBS, Structured Products

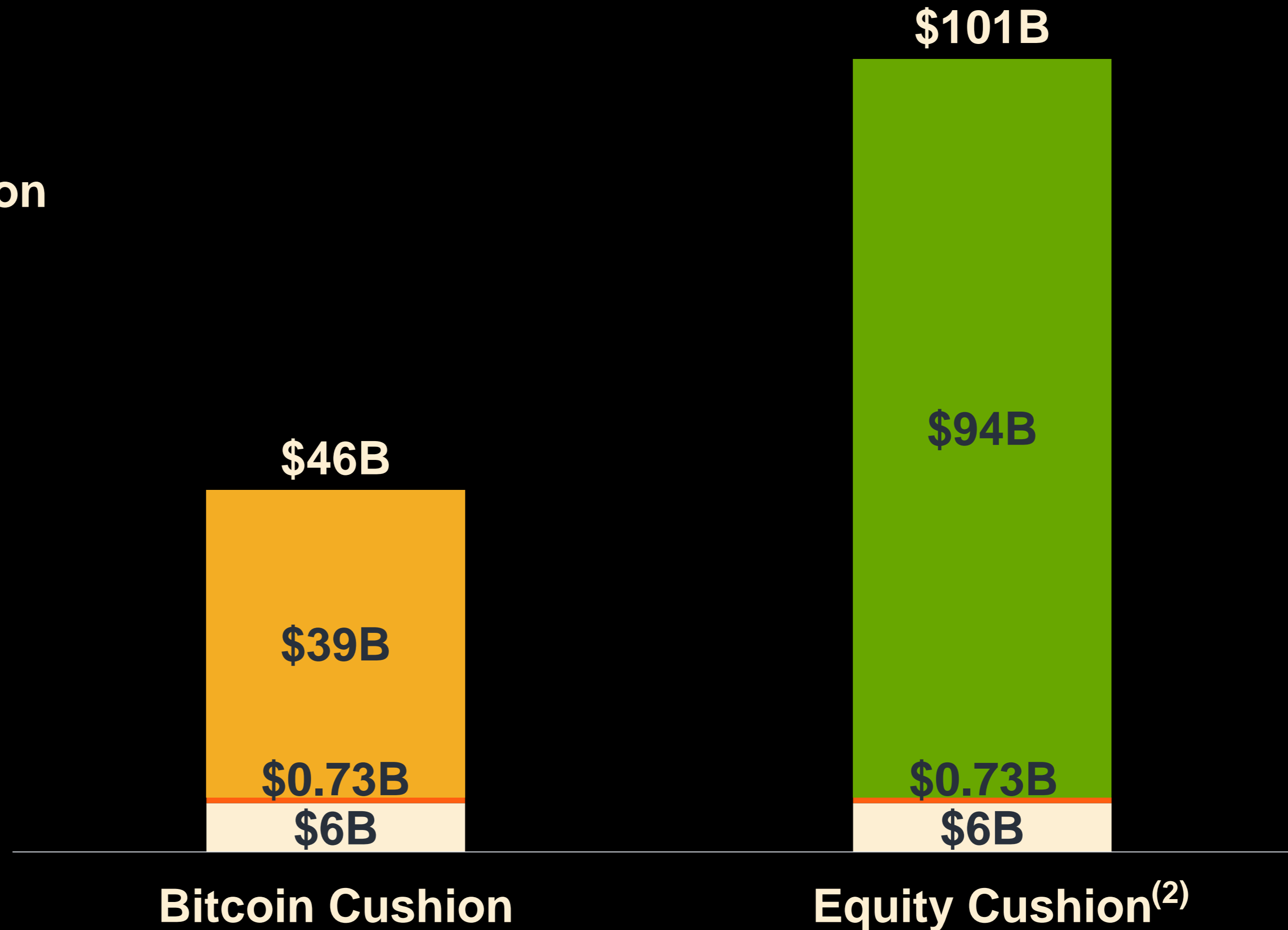
* Not yet available.

For illustrative purposes only; does not constitute investment advice and should not form the basis for an investment in MSTR or any other securities.

Strategy Capital Structure

Strategy's debt and preferred securities are significantly supported by the value of the Company's bitcoin reserves and have a substantial equity cushion

- Common Equity Cushion
- BTC Cushion
- STRK Preferred Stock
- Converts⁽¹⁾



Note: Bitcoin holdings and fully diluted equity market value as of February 4, 2025. BTC Cushion includes \$563.4M estimated bitcoin purchase with STRK proceeds.

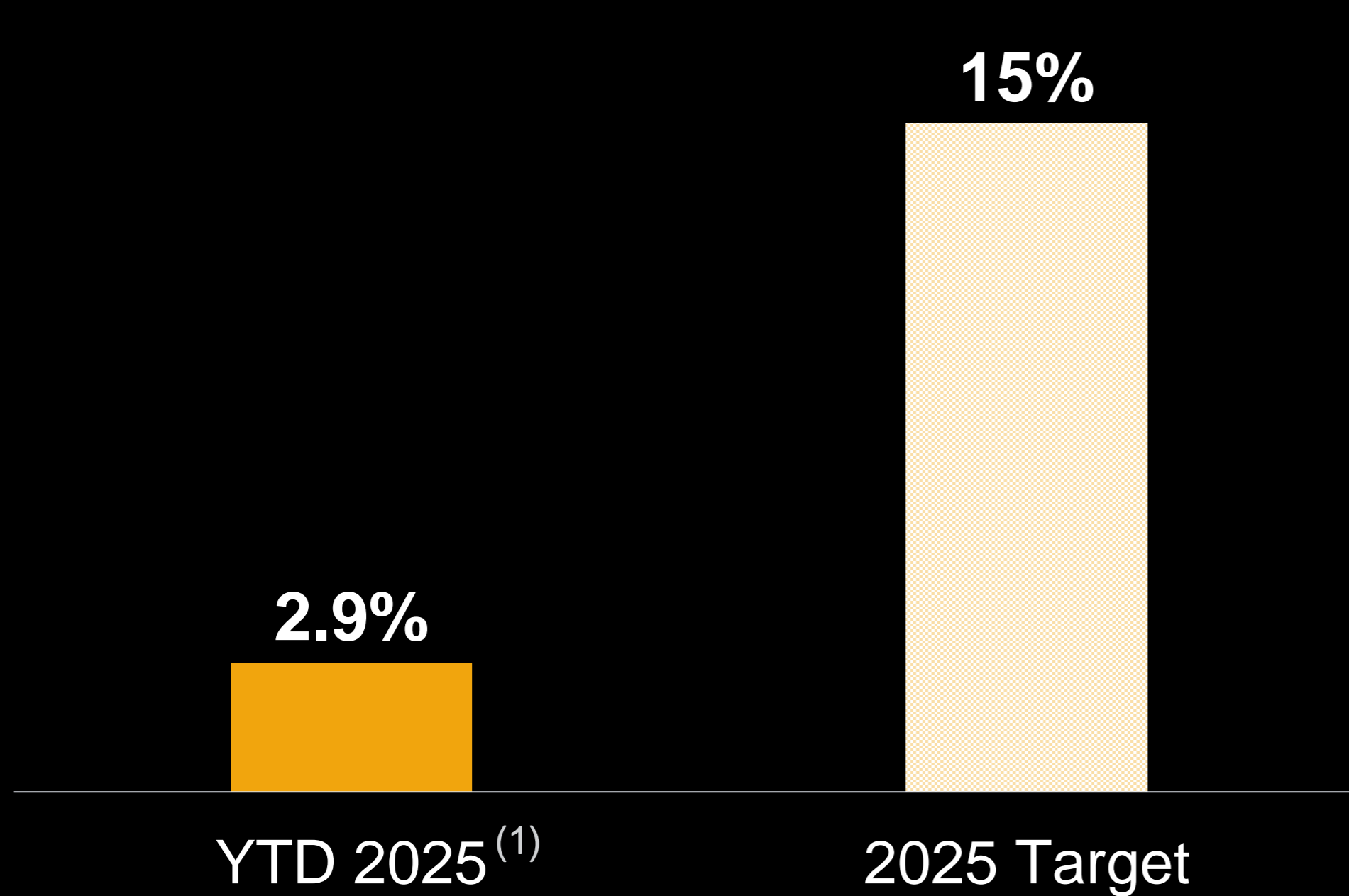
(1) Excludes 0.0% Convertible Notes due 2027 (the "2027 Notes"), as on January 24, 2025, Strategy announced that it delivered a notice of full redemption to the trustee of its outstanding 2027 Notes.

(2) Reflects fully diluted equity market value.

2025 Targets

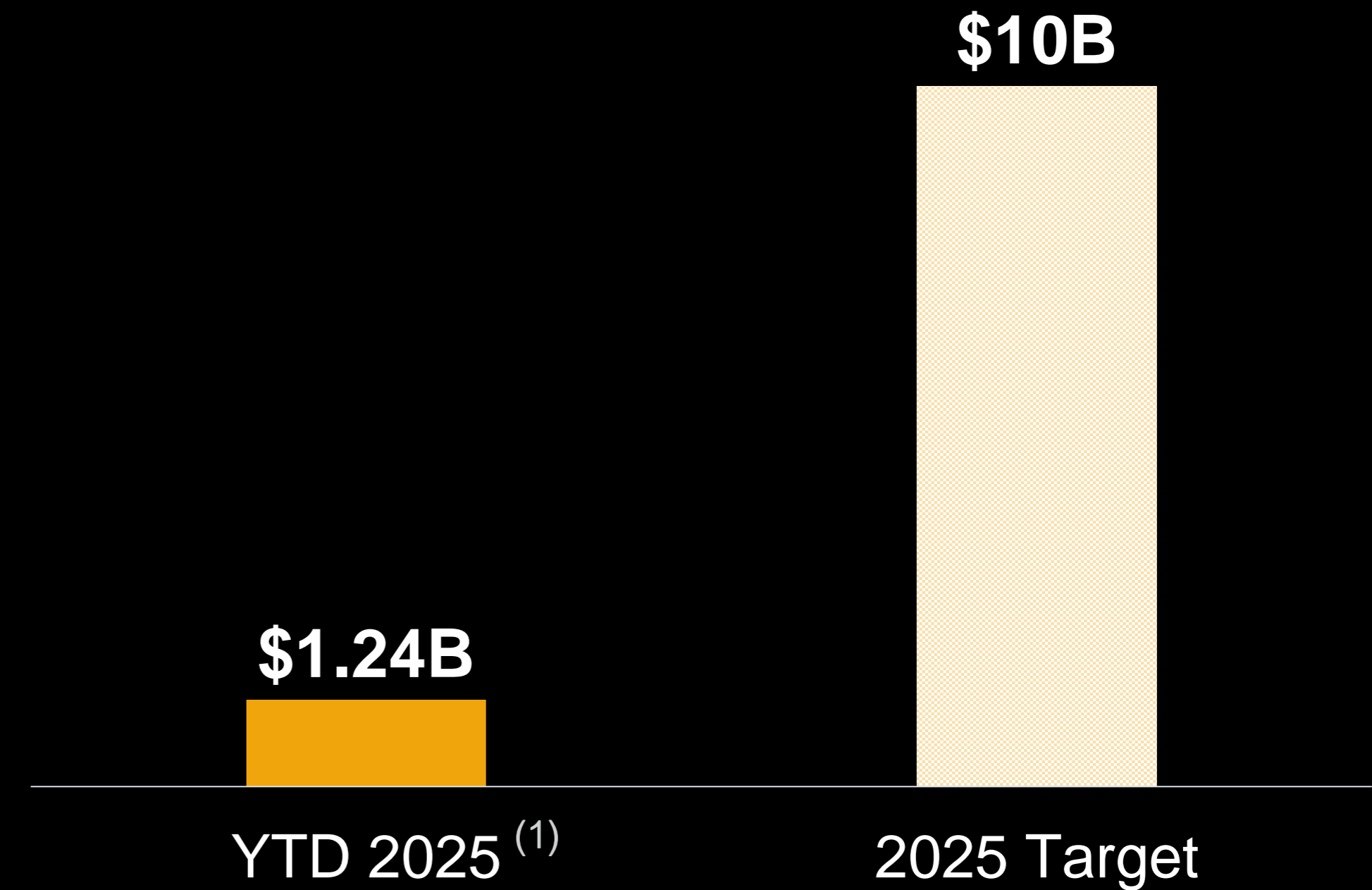
BTC Yield

Annual Target 15%



BTC \$ Gain

Annual Target \$10 Billion



(1) As of February 2, 2025.

Strategy[₿]

Appendix

Strategy – Bitcoin Treasury Company

Unique value proposition versus Spot Bitcoin ETPs

	Strategy	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, when available	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. Strategy 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.

Basic and Assumed Diluted Shares Outstanding Calculation

	6/30/2020	12/31/2020	12/31/2021	12/31/2022	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	2/2/2025
Total Bitcoin Holdings	-	70,470	124,391	132,500	189,150	214,278	226,331	252,220	447,470	471,107
Shares Outstanding (in '000s) ⁽¹⁾										
Class A	76,510	76,230	93,220	95,850	149,041	156,830	171,030	182,995	226,138	237,191
Class B	20,350	19,640	19,640	19,640	19,640	19,640	19,640	19,640	19,640	19,640
Basic Shares Outstanding ⁽²⁾	96,860	95,870	112,860	115,490	168,681	176,470	190,670	202,635	245,778	256,831
2025 Convert Shares @\$39.80	-	16,330	16,330	16,330	16,330	16,330	3,659	-	-	-
2027 Convert Shares @\$143.25 ⁽³⁾	-	-	7,330	7,330	7,330	7,330	7,330	7,330	7,330	2,883
2028 Convert Shares @\$183.19	-	-	-	-	-	-	-	5,513	5,513	5,513
2029 Convert Shares @\$672.40	-	-	-	-	-	-	-	-	4,462	4,462
2030 Convert Shares @\$149.77	-	-	-	-	-	5,342	5,342	5,342	5,342	5,342
2031 Convert Shares @\$232.72	-	-	-	-	-	2,594	2,594	2,594	2,594	2,594
2032 Convert Shares @\$204.33	-	-	-	-	-	-	3,915	3,915	3,915	3,915
Options Outstanding	14,810	11,570	11,670	15,770	12,936	7,030	5,916	5,678	4,956	4,845
RSU/PSU Unvested	-	740	1,050	1,200	2,359	2,570	2,244	2,034	1,845	1,807
Assumed Diluted Shares Outstanding ⁽⁴⁾	111,670	124,510	149,240	156,120	207,636	217,666	221,671	235,042	281,735	288,192
BTC Yield % (period-over-period)			47.3%	1.8%	7.3%	8.1%	3.7%	5.1%	48.0%	2.9%
BTC Yield % (YTD)									74.3%	2.9%

(1) Reflects retroactive adjustment for the Company's 10-for-1 stock split effected by means of a stock dividend distributed after the close of trading on August 7, 2024.

(2) Basic Shares Outstanding reflects the actual class A common stock and class B common stock outstanding as of the dates presented. For purposes of this calculation, outstanding shares of such stock are deemed to include shares, if any, that were sold under at-the-market equity offering programs or that were to be issued pursuant to options that had been exercised or restricted stock units that have vested, but which in each case were pending issuance as of the dates presented.

(3) On January 24, 2025, the Company delivered a notice of full redemption (the "Notice") to the trustee of the Company's 0.0% Convertible Senior Notes due 2027 (the "2027 Convertible Notes"). The Notice calls for the redemption of all of the outstanding 2027 Convertible Notes (the "Redemption") on February 24, 2025 (the "Redemption Date"), at a redemption price equal to 100% of the principal amount of the 2027 Convertible Notes to be redeemed, plus accrued and unpaid special interest, if any, to but excluding the Redemption Date, unless earlier converted. As a result of the delivery of the Notice, at any time prior to 5:00 p.m., New York City time, on February 20, 2025, the 2027 Convertible Notes are convertible, at the option of the holders of the 2027 Convertible Notes, at the applicable conversion rate of 7.0234 shares of the Company's class A common stock per \$1,000 principal amount (reflecting a conversion price of \$142.38 per share (the "Adjusted Conversion Price"). Prior to the Company's delivery of the Notice, the Company received conversion requests at the original conversion price of \$143.25 per share for approximately \$1,756,000 in principal amount of 2027 Convertible Notes, which conversions had been settled as of January 26, 2025. For purposes of calculating Assumed Diluted Shares Outstanding, we assume all remaining 2027 Convertible Notes will be converted at the Adjusted Conversion Price prior to the Redemption Date.

(4) 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 and convertible preferred stock, exercise of all outstanding stock option awards, and settlement of all outstanding restricted stock units and performance stock units. The impact from Series A Perpetual Strike Preferred Stock (STRK) will be reflected when the Bitcoin purchases using STRK are completed and disclosed. 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.

Non-GAAP Reconciliations (\$ in Millions)

Q4 2024

Reconciliation of GAAP to non-GAAP income (loss) from operations

	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Revenues	\$132.6	\$121.9	\$120.4	\$129.5	\$124.5	\$115.2	\$111.4	\$116.1	\$120.7
Cost of Revenues	\$26.7	\$27.9	\$27.1	\$26.7	\$28.2	\$30.0	\$30.9	\$34.3	\$34.2
Operating Expenses	\$299.5	\$114.3	\$120.0	\$128.0	\$139.0	\$288.9	\$280.8	\$514.3	\$1,102.9
GAAP Income (Loss) from Operations	\$(193.7)	\$(20.3)	\$(26.7)	\$(25.2)	\$(42.8)	\$(203.7)	\$(200.3)	\$(432.6)	\$(1,016.4)
GAAP Operating Margin %	-146%	-17%	-22%	-20%	-34%	-177%	-180%	-373%	-842%
Share-Based Compensation	\$17.0	\$17.6	\$15.5	\$16.8	\$19.7	\$17.8	\$20.6	\$19.4	\$19.3
Non-GAAP Income (Loss) from Operations	(\$176.7)	(\$2.8)	(\$11.2)	(\$8.4)	(\$23.1)	(\$185.9)	(\$179.6)	(\$413.2)	(\$997.1)
Non-GAAP Operating Margin %	-133%	-2%	-9%	-7%	-19%	-161%	-161%	-356%	-826%
Digital Asset Impairment Losses, Net of Gains on Sale	\$197.6	\$18.9	\$24.1	\$33.6	\$39.2	\$191.6	\$180.1	\$412.1	\$1,006.1

Reconciliation of subscription services revenues to non-GAAP subscription billings

	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Deferred Subscription Services Revenues	\$51.9	\$46.7	\$49.9	\$45.7	\$65.5	\$60.3	\$69.6	\$74.2	\$107.1
Subscription Services Revenues	\$17.5	\$18.8	\$19.9	\$21.0	\$21.5	\$23.0	\$24.1	\$27.8	\$31.9
Change in Deferred Subscription Services Revenues	\$13.6	\$(5.1)	\$3.2	\$(4.2)	\$19.8	\$(5.2)	\$9.3	\$4.6	\$32.9
Non-GAAP Subscription Billings	\$31.1	\$13.7	\$23.1	\$16.8	\$41.3	\$17.7	\$33.4	\$32.4	\$64.8

Non-GAAP Reconciliations (\$ in Millions)

Q4 2024

Reconciliation of non-GAAP operating expenses

	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
GAAP Operating Expenses	\$299.5	\$114.3	\$120.0	\$128.0	\$139.0	\$288.9	\$280.8	\$514.3	\$1,102.9
Share-Based Compensation	\$15.9	\$16.5	\$14.4	\$15.6	\$18.5	\$16.4	\$18.9	\$17.8	\$17.8
Non-GAAP Operating Expenses	\$283.6	\$97.8	\$105.6	\$112.5	\$120.5	\$272.5	\$261.9	\$496.5	\$1,085.2
Digital Asset Impairment Losses, Net of Gains on Sale	\$197.6	\$18.9	\$24.1	\$33.6	\$39.2	\$191.6	\$180.1	\$412.1	\$1,006.1

Reconciliation of total non-GAAP expenses

	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Cost of Revenues	\$26.7	\$27.9	\$27.1	\$26.7	\$28.2	\$30.0	\$30.9	\$34.3	\$34.2
Operating Expenses	\$299.5	\$114.3	\$120.0	\$128.0	\$139.0	\$288.9	\$280.8	\$514.3	\$1,102.9
Total GAAP Expenses	\$326.3	\$142.2	\$147.1	\$154.7	\$167.3	\$318.9	\$311.7	\$548.7	\$1,137.1
Share-Based Compensation ⁽¹⁾	\$17.0	\$17.6	\$15.5	\$16.8	\$19.7	\$17.8	\$20.6	\$19.4	\$19.3
Total Non-GAAP Expenses	\$309.2	\$124.7	\$131.6	\$137.9	\$147.6	\$301.2	\$291.1	\$529.3	\$1,117.8
Digital Asset Impairment Losses, Net of Gains on Sale	\$197.6	\$18.9	\$24.1	\$33.6	\$39.2	\$191.6	\$180.1	\$412.1	\$1,006.1

(1) Share-Based Compensation shown reflects the amounts recorded to Sales & Marketing, Research & Development, and General & Administrative only.

Non-GAAP Reconciliations (\$ in Millions)

Q4 2024

Reconciliation of total non-GAAP expenses

	Q4 23	Q4 24
GAAP Expenses		
Cost of Revenues	\$28.2	\$34.2
Sales & Marketing	\$40.3	\$35.0
Research & Development	\$30.2	\$25.7
General & Administrative	\$29.4	\$36.2
Digital Asset Impairment Losses, Net of Gains on Sale	\$39.2	\$1,006.1
Total GAAP Expenses	\$167.3	\$1,137.1
Share-Based Compensation		
Cost of Revenues	\$1.2	\$1.6
Sales & Marketing	\$5.5	\$3.1
Research & Development	\$4.1	\$3.7
General & Administrative	\$8.9	\$11.0
Total Share-Based Compensation	\$19.7	\$19.3
Non-GAAP Expenses		
Cost of Revenues	\$27.0	\$32.6
Sales & Marketing	\$34.8	\$31.8
Research & Development	\$26.0	\$22.0
General & Administrative	\$20.5	\$25.3
Digital Asset Impairment Losses, Net of Gains on Sale	\$39.2	\$1,006.1
Total Non-GAAP Expenses	\$147.6	\$1,117.8

Important Information About BTC Yield, BTC Gain and BTC \$ Gain KPIs

BTC Yield is a key performance indicator (“KPI”) that represents the percentage change, during a period, of the ratio between the Company’s bitcoin holdings and its Assumed Diluted Shares Outstanding, where:

- “Assumed Diluted Shares Outstanding” refers to the aggregate of our Basic Shares Outstanding as of the end of each period plus all additional shares that would result from the assumed conversion of all outstanding convertible notes and convertible preferred stock, 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.
- “Basic Shares Outstanding” reflects the actual class A common stock and class B common stock outstanding as of the dates presented. For purposes of this calculation, outstanding shares of such stock are deemed to include shares, if any, that were sold under at-the-market equity offering programs or that were to be issued pursuant to options that had been exercised or restricted stock units that have vested, but which in each case were pending issuance as of the dates presented.

BTC Gain is a KPI that represents the number of bitcoins held by the Company at the beginning of a period multiplied by the BTC Yield for such period.

BTC \$ Gain is a KPI that represents the dollar value of the BTC Gain calculated by multiplying the BTC Gain by the market price of bitcoin as of 4:00pm ET on the Coinbase exchange on the last day of the applicable period. The Company has selected 4:00pm ET on the last day of the applicable period as the date and time of determination of the market price of bitcoin solely for the purpose of facilitating this illustrative calculation.

The Company uses BTC Yield, BTC Gain and BTC \$ Gain as KPIs to help assess the performance of its strategy of acquiring bitcoin in a manner the Company believes is accretive to shareholders. The Company believes these KPIs can be used to supplement an investor’s understanding of the Company’s decision of the manner in which it funds the purchase of bitcoin and the value created in a period by:

- in the case of BTC Yield, comparing the rate of change in the Company’s bitcoin holdings as compared to the rate of change in the number of shares of its common stock and instruments convertible to common stock;
- in the case of BTC Gain, hypothetically expressing the change reflected in the BTC Yield metric as if it reflected an increase in the amount of bitcoin held at the end the applicable period as compared to the beginning of such period; and
- in the case of BTC \$ Gain, further expressing that gain as a dollar value by multiplying that bitcoin-denominated gain by the market price of bitcoin at the end of the applicable period as described above.

When the Company uses these KPIs, management also takes into account the various limitations of these metrics, including that they do not take into account debt, preferred stock and other liabilities and claims on company assets that would be senior to common equity and that they assume that all indebtedness will be refinanced or, in the case of the Company’s senior convertible debt instruments and convertible preferred stock, converted into shares of common stock in accordance with their respective terms.

Additionally, BTC Yield 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 the Company’s shareholders may have achieved historically or can achieve in the future by purchasing stock of the Company, or a measure of income generated by the Company’s operations or its bitcoin holdings, return on investment on its bitcoin holdings, or any other similar financial measure of the performance of its business or assets.

BTC Gain and BTC \$ Gain are not, and should not be understood as, operating performance measures or financial or liquidity measures. In particular, BTC Gain and BTC \$ Gain are not equivalent to “gain” in the traditional financial context. They also are not measures of the return on investment the Company’s shareholders may have achieved historically or can achieve in the future by purchasing stock of the Company, or measures of income generated by the Company’s operations or its bitcoin holdings, return on investment on its bitcoin holdings, or any other similar financial measure of the performance of its business or assets. It should also be understood that BTC \$ Gain does not represent a fair value gain of the Company’s bitcoin holdings, and BTC \$ Gain may be positive during periods when the Company has incurred fair value losses on its bitcoin holdings.

The trading price of the Company’s class A common stock is informed by numerous factors in addition to the amount of bitcoins the Company holds and number of actual or potential shares of its stock outstanding, and as a result, the market value of the Company’s shares may trade at a discount or a premium relative to the market value of the bitcoin the Company holds, and neither BTC Yield, BTC Gain nor BTC \$ Gain are indicative or predictive of the trading price of the Company’s securities.

As noted above, these KPIs are narrow in their purpose and are used by management to assist it in assessing whether the Company is using equity capital in a manner accretive to shareholders solely as it pertains to its bitcoin holdings.

In calculating these KPIs, the Company does not take into account the source of capital used for the acquisition of its bitcoin. The Company notes in particular, it has acquired bitcoin using proceeds from the offering of its 6.125% Senior Secured Notes due 2028 (which the Company has since redeemed), which were not convertible to shares of the Company’s common stock, as well as from the offerings of its convertible senior notes, which at the time of issuance had, and may from time-to-time thereafter have, conversion prices above the current trading prices of the Company’s common stock, or as to which the holders of such convertible notes may not then be entitled to exercise the conversion rights of the notes. Such offerings have had the effect of increasing the BTC Yield, BTC Gain and BTC \$ Gain without taking into account the corresponding debt. Conversely, if any of the Company’s convertible notes mature or are redeemed without being converted into common stock, the Company 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, BTC Gain and BTC \$ Gain due to changes in the Company’s bitcoin holdings and shares in ways that were not contemplated by the assumptions in calculating BTC Yield, BTC Gain and BTC \$ Gain, respectively. Accordingly, these metrics might overstate or understate the accretive nature of the Company’s 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.

In addition, we are required to pay dividends with respect to our perpetual strike preferred stock in perpetuity. We could pay these dividends with cash or by issuing shares of class A common stock. If we issue shares of class A common stock in lieu of paying dividends in cash, or if we issue shares of class A common stock for cash to fund the payment of dividends in cash, then we would experience an increase in our Assumed Diluted Shares Outstanding without a corresponding increase in our bitcoin holdings and a decrease in BTC Yield, BTC Gain and BTC \$ Gain for the period in which such issuance of shares of class A common stock occurred.

The Company has historically not paid any dividends on its shares of class A common stock, and by presenting these KPIs the Company makes no suggestion that it intends to do so in the future. Ownership of the Company’s securities, including its class A common stock and preferred stock, does not represent an ownership interest in the bitcoin the Company holds.

The Company determines its KPI targets based on its history and future goals. The Company’s ability to achieve positive BTC Yield, BTC Gain, or BTC \$ Gain may depend on a variety of factors, including its ability to generate cash from operations in excess of its fixed charges and other expenses, as well as factors outside of its control, such as the price of bitcoin, and the availability of debt and equity financing on favorable terms. Past performance is not indicative of future results.

Investors should rely on the financial statements and other disclosures contained in the Company’s SEC filings. These KPIs are merely supplements, not a substitute. They should be used only by sophisticated investors who understand their limited purpose and many limitations.

Additional Information

Strategy 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.