

The Blockchain Group completes a convertible bond issuance of €48.6M (approx. 600 BTC) to accelerate its Bitcoin Treasury Company strategy

- Issuance through its 100% subsidiary The Blockchain Group Luxembourg SA
 - Convertible in shares of The Blockchain Group at €0.544 per share

Puteaux, March 6, 2025: The Blockchain Group (ISIN code: FR0011053636, ticker: ALTBG), Europe's first Bitcoin Treasury Company, holding subsidiaries specialized in Data Intelligence, AI, and decentralized technology consulting and development, has completed, through its wholly-owned Luxembourg subsidiary "The Blockchain Group Luxembourg SA", a reserved convertible bond issuance into shares of The Blockchain Group at €0.544 per share, representing a 30% premium over the volume-weighted average price (VWAP) of the last twenty trading days preceding the Board of Directors meeting on March 4, 2025, without preferential subscription rights, amounting to €48.6 million (approx. 600 BTC). These bonds were mostly subscribed in BTC and reserved for a pool of globally renowned strategic investors: Fulgur Ventures, Adam Back, UTXO Management, Ludovic Chechin-Laurans, and TOBAM.

A decisive step in the deployment of the Bitcoin Treasury Company strategy launched by The Blockchain Group on November 5, 2024.

Objective of the operation

The issuance of convertible bonds into shares at a significant premium over the current stock price enables The Blockchain Group to accelerate its Bitcoin Treasury Company strategy, focused on increasing the number of Bitcoin per share.

Following the subscription of the first tranche of convertible bonds, The Blockchain Group will hold more than 600 BTC, placing it in the global top 30 publicly traded companies holding Bitcoin reserves.

"This first major capital raising operation under the new authorizations voted in the extraordinary general meeting perfectly illustrates our Bitcoin Treasury Company strategy: with a significant conversion premium and the use of approximately 95% of the amount raised for the acquisition and perpetual holding of Bitcoin, this convertible bond issuance contributes to increasing the number of Bitcoin per share", said Alexandre Laizet, Deputy CEO and Director of Bitcoin Strategy of The Blockchain Group.

"As a shareholder and Board member, I welcome this world-first achievement with our investor partners, marking a major milestone in financing companies implementing a Bitcoin-based treasury strategy. By issuing convertible bonds subscribed and repayable in Bitcoin, The Blockchain Group innovates with a model that perfectly aligns its assets and liabilities in BTC." emphasized Ludovic Chechin-Laurans.

Legal basis and terms of the operation

Less than two weeks after the Extraordinary General Meeting of February 21, 2025, the Board of Directors of The Blockchain Group (the "**Company**") decided, on March 4, 2025, to exercise the delegation of authority granted to it under the 5th resolution to issue ordinary shares or securities granting access to the Company's capital, with the removal of shareholders' preferential subscription rights in favor of specific categories of beneficiaries.

In this context, the Board of Directors met on March 4, 2025, to implement this delegation of authority and decided to:

- (i) Based on Article L. 228-93 of the French Commercial Code, authorize The Blockchain Group Luxembourg SA to issue a convertible bond into the Company's shares, with an initial nominal amount of €48,600,000, represented by 48,600,000 convertible bonds with a nominal value of one euro (€1) each, consisting of 1,000,000 Convertible Bonds A-01 and 47,600,000 Convertible Bonds B-01 (the "**OCA Tranche 1**"). Upon conversion, and under the conditions stipulated in the OCA Issuance Agreements, these bonds entitle their holders to subscribe to an initial number of 89,367,393 new ordinary shares of the Company at a rounded subscription price of €0.544 per share;
- (ii) Based on Article L. 228-93 of the French Commercial Code, authorize The Blockchain Group Luxembourg SA, within three months following the issuance of OCA Tranche 1, to issue a second convertible bond into the Company's shares, with an initial nominal amount of €72,900,000, represented by 72,900,000 convertible bonds, consisting of 1,500,000 Convertible Bonds A and 71,400,000 Convertible Bonds B, with a nominal value of one euro (€1) each (the "**OCA Tranche 2**", together with OCA Tranche 1, the "**OCA**"). Upon conversion, and under the conditions stipulated in the OCA Issuance Agreements, these bonds entitle their holders to subscribe to a maximum of 103,116,223 new ordinary shares of the Company at a rounded subscription price of €0.707 per share.

It is reiterated that these OCA issuances by The Blockchain Group Luxembourg SA are governed by Luxembourg law. Convertible Bonds A are subscribed in Euros, while Convertible Bonds B are subscribed in Bitcoin.
- (iii) Authorize a capital increase by the Company within the limit of creating an initial number of 89,367,393 new ordinary shares resulting from the conversion of OCA Tranche 1, as well as an initial number of 103,116,223 new ordinary shares resulting from the conversion of OCA Tranche 2, subject to any necessary adjustments to preserve the rights of OCA holders.

The capital increase will be carried out by the Company in the event of the exercise of the conversion rights attached to the OCA. It will be conducted in cash and paid by debt compensation, in accordance with the provisions of the aforementioned 5th resolution.

OCA Tranche 1 will allow their holders, upon conversion, to subscribe to a maximum of 89,367,393 new ordinary shares of the Company at a subscription price of €0.544 per share, representing a 30% premium over the volume-weighted average price (VWAP) of the last twenty trading days preceding the Board of Directors meeting on March 4, 2025.

In the event of the exercise of the subscription option for OCA Tranche 2, these bonds will allow their holders, upon conversion, to subscribe to an initial number of 103,116,223 new ordinary shares of the Company at a subscription price of €0.707 per share, representing a 30% premium over the conversion price of OCA Tranche 1.

The OCA will be convertible into new ordinary shares of the Company at any time during the conversion period, provided that the volume-weighted average price (VWAP) of the Company's shares over 20 consecutive trading days reaches at least 130% of the conversion price.

OCA Tranche 1 were mostly subscribed in BTC, marking a world-first for this type of issuance by a publicly traded Bitcoin Treasury Company. OCA Tranche 2 may also be subscribed in Bitcoin or cash.

The transaction does not require the preparation of a prospectus subject to approval by the AMF, in accordance with Article 1(4) and Article 3(2)(b) of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 14, 2017, as amended.

The investor group includes strategic investors who are recognized leaders in the Bitcoin sector, and the first tranche of convertible bonds was subscribed as follows:

Subscriber	OCA Tranche 1	OCA Tranche 2, if the subscription option is exercised
Fulgur Ventures	36,000,000	54,000,000
Adam Back	8,000,000	12,000,000
UTXO Management	2,000,000	3,000,000
Ludovic Chechin-Laurans	1,600,000	2,400,000
TOBAM	1,000,000	1,500,000
Total	48,600,000	72,900,000

Key Characteristics of the OCA Tranche 1 Issuance

Issuer	The Blockchain Group Luxembourg SA, a Luxembourg-based subsidiary 100% owned by The Blockchain Group.
Type of Issuance	Issuance of convertible bonds reserved for a specific category of investors, under the delegation granted by the Extraordinary General Meeting of February 21, 2025 (Resolution No. 5).
Amount	€48,600,000, subscribed in EUR or BTC.
Nominal Value	EUR 1.
Subscription Price	Nominal value.
Coupon	0%.
Maturity	5 years from the subscription date.
Conversion Price	€0.544 per share. Thus, each OCA Tranche 1 bond entitles its holder to subscribe to approximately 1.838 shares.
Use of Proceeds	95% of the proceeds will be used to acquire and hold Bitcoin. The remaining 5% will be used by The Blockchain Group Luxembourg to cover operational costs and management fees paid to The Blockchain Group SA for services provided.

Conversion By the bondholder: At any time before March 5, 2028, provided that the volume-weighted average price (VWAP) of the Company's shares over 20 consecutive trading days reaches at least 130% of the conversion price (€0.707).

By the bondholder or the issuer: At any time between March 5, 2028, and March 3, 2030, under the same 130% VWAP condition.

Repayment If not converted, the bonds will be repaid at maturity in BTC or EUR at the BTC sale price or converted into shares, at the bondholder's discretion. If no choice is expressed by the bondholder, the issuer will decide on the repayment terms.

Transferability The OCA bonds are freely transferable.

New Shares Shares issued upon OCA conversion will carry current dividend rights from their issuance date. They will have the same rights as existing ordinary shares and will be listed on Euronext Growth Paris.

Securities The OCA are not secured by any collateral.

Key Characteristics of the OCA Tranche 2 Issuance

The OCA Tranche 2 will have the same terms as the OCA Tranche 1, except for the following:

Issuance Option for OCA Tranche 1 holders to subscribe, in one or multiple tranches, within 3 months from the issuance of OCA Tranche 1, for an amount of OCA Tranche 2 equal to 1.5x the amount of OCA Tranche 1.

Amount €72,900,000, subscribed in EUR or BTC.

Maturity 5 years from the subscription date.

Conversion Price €0.707 per share.

Conversion By the bondholder: At any time before the 3rd anniversary of the issuance date, provided that the volume-weighted average price (VWAP) of the Company's shares over 20 consecutive trading days reaches at least 130% of the conversion price of OCA Tranche 2, i.e., €0.919.

By the bondholder or the issuer: At any time between the 3rd and 5th anniversary of the issuance date, under the same 130% VWAP condition (€0.919).

Impact of the operation on the Company's shareholding

Due to the inherent volatility of Bitcoin, it is impossible to establish precise estimates of the potential impact of OCA Tranche 2 conversion on the Company's share capital. However, according to the OCA Issuance Agreements, the conversion of the OCA cannot result in any OCA holder exceeding 50% ownership of the Company's share capital.

To the Company's knowledge, the impact of OCA Tranche 1 conversion on the shareholding structure would be as follows:

Shareholders	Before the Capital Increase		After Conversion of OCA Tranche 1	
	% of Capital	Shares	% of Capital	Shares
Ludovic CHECHIN-LAURANS ⁽¹⁾	8,048,162	8.62%	10,990,298	6.01%
Other executives	3,851,756	4.12%	3,851,756	2.11%
Fulgur Ventures	0	0.00%	66,198,070	36.22%
Adam Back	3,666,666	3.93%	18,377,348	10.06%
TOBAM	0	0.00%	1,838,835	1.01%
UTXO Management	0	0.00%	3,677,670	2.01%
Public & Institutional	77,817,865	83.33%	77,817,865	42.58%
Total	93,384,449	100.00%	182,751,842	100.00%

⁽¹⁾ Ludovic Chechin-Laurans is a director of the Company.

Impact of the capital increase on equity per share and on shareholders who do not subscribe to the operation

For reference, the impact of the operation on equity per share (calculated based on: (i) the Company's equity as of June 30, 2024, adjusted for the capital increases on November 5 and December 4, 2024, and (ii) the total number of shares composing the Company's share capital as of December 31, 2024) would be as follows:

	Equity Amount (1)	Total Number of Shares	Equity per Share	Capital Share
Before the Capital Increase resulting from Tranche 1	€11,938,998.40	93,384,449	€0.13	1%
After the Capital Increase resulting from Tranche 1	€60,538,998.40	182,751,842	€0.33	0.51%

(1) Based on the Company's equity as of June 30, 2024, adjusted for the capital increases carried out in November and December 2024.

Assumptions used for this announcement

The indicated amounts were established based on an assumed theoretical BTC value of €80,000, corresponding to the BTC price on March 4, 2025, at 6:00 PM.

The final subscription amounts for the OCA as well as the final capital increase amounts resulting from OCA conversion will be determined by the Board of Directors, based on the BTC value at the time of its receipt in The Blockchain Group Luxembourg SA's wallet at Swissquote, in accordance with the OCA Issuance Agreements.

Risk Factors

The Company reminds that the risk factors related to its business are detailed in its 2023 annual financial report, available for free on the Company's website: www.theblockchain-group.com/investor/news-financial-information/

The realization of all or part of these risks could negatively impact the Company's operations, financial position, results, development, or outlook.

Additionally, the Company informs investors that implementing a Bitcoin Treasury Company strategy exposes it to several risks, including:

Extreme Bitcoin Price Volatility: Bitcoin's price is subject to significant fluctuations, which could lead to a rapid and substantial depreciation of the Bitcoin held by the Company.

Liquidity Risk: Unlike traditional assets, Bitcoin's liquidity may be affected by sudden market variations, regulatory restrictions, or exchange platform failures, making it more difficult to convert Bitcoin into fiat currency if needed.

Regulatory and Tax Risks: The regulatory and tax framework for digital assets is evolving rapidly and varies across jurisdictions. Legislative changes or decisions by market authorities could negatively impact the Company's Bitcoin holdings and usage.

Operational and Cybersecurity Risks: Holding Bitcoin requires strict security measures (secure digital wallets, private keys, cold storage protocols). Any security breach, loss of access to private keys, or cyberattack could result in a total or partial loss of the Company's Bitcoin.

About The Blockchain Group (ALTBG)

The Blockchain Group is a Bitcoin Treasury Company listed on Euronext Growth Paris, specialized in Data Intelligence, AI, and Decentralized Tech consulting and development.

EURONEXT Growth Paris

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Reuters: ALTBG.PA

Bloomberg: ALTBG:FP

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