

The Blockchain Group announces a convertible bond issuance of ~€63.3M to pursue its Bitcoin Treasury Company strategy

- Convertible bond issuance, subscribed and denominated in BTC, through its wholly-owned Luxembourg subsidiary "The Blockchain Group Luxembourg SA", into shares of The Blockchain Group, at 3.809€ per share, subscribed by Moonlight Capital for an amount of ~5M€
- Convertible bond issuance, subscribed and denominated in BTC, through its wholly-owned Luxembourg subsidiary "The Blockchain Group Luxembourg SA", into shares of The Blockchain Group, at ~€0.707 per share, resulting from the subscription to OCA Tranche 2 by Fulgur Ventures for an amount of ~€55.3M as well as the subscription to OCA Tranche 2 by UTXO Management for ~€3M
- Operations enabling a potential acquisition of ~590 BTC, bringing the Company's total potential holdings to ~1,437 BTC
- Conversion of all OCA Tranche 2 held by investor Adam Back into 14,885,957 ordinary shares of the Company

Puteaux, May 26, 2025: The Blockchain Group (ISIN code: FR0011053636, ticker: ALTBG) (the « Company »), listed on Euronext Growth Paris, Europe's first Bitcoin Treasury Company, holding subsidiaries specialized in Data Intelligence, AI, and decentralized technology consulting and development, has announced the realization, through its wholly-owned Luxembourg subsidiary "The Blockchain Group Luxembourg SA", of a reserved convertible bond issuance, without preferential subscription rights, into shares of The Blockchain Group at €3.809 per share, representing a premium of 30% over the closing price on May 23, 2025, for a total amount of €5M, fully subscribed in BTC, and reserved for a new investor, Moonlight Capital.

The Company also announces the realization of a reserved convertible bond issuance, without preferential subscription rights, into shares of The Blockchain Group at ~€0.707 per share for a total amount of ~€58.3M, resulting from the exercise of the subscription right for all Convertible Bonds B-02 ("OCA Tranche 2") reserved for strategic investor Fulgur Ventures as stated in the press release dated March 6, 2025 for an amount of ~€55.3M, as well as the exercise of the subscription right for all Convertible Bonds B-02 ("OCA Tranche 2") reserved for strategic investor UTXO Management, for an amount of €3M, with a conversion premium of ~30% over the conversion price of Convertible Bonds B-01 ("OCA Tranche 1").

The Company also announces the conversion of all Tranche 1 OCAs held by investor Adam Back, i.e., the conversion of 8,097,961 Tranche 1 OCAs resulting in the subscription of 14,885,957 ordinary shares, at a subscription price of €0.544 per share, as stated in the press release dated March 6, 2025.

The Company thus pursues its Bitcoin accumulation strategy, while continuing to develop the operational activities of its subsidiaries. As communicated on April 30, 2025, a presentation containing an explanation of the Company's Bitcoin Treasury Company strategy, focused on increasing the number of bitcoin per fully diluted share over time, is available on its website: <https://www.theblockchain-group.com/investor/news-financial-information/>

Convertible Bonds issuance subscribed by Moonlight Capital for €~5M

The Board of Directors of The Blockchain Group (the “Company”) decided, on May 25, 2025, to make use of the delegation of authority granted to it under the 5th resolution adopted by the Shareholders’ General Meeting held on February 21, 2025, for the purpose of deciding the issuance of ordinary shares or securities giving access to the Company’s share capital, with shareholders’ preferential subscription rights waived in favor of specific categories of beneficiaries.

In this context, the Board of Directors met on May 25, 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 €5,000,000, represented by 5,000,000 convertible bonds with a nominal value of one euro (€1) each (the “**OCA B-03 Tranche 1**”) entitling their holders, upon conversion, and under the conditions stipulated in the OCA OCA B-03 Issuance Agreements, these bonds entitle their holders to subscribe to a maximum amount of 1,312,680 new ordinary shares of the Company at a rounded subscription price of €3.809 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 the OCA B-03 Tranche 1, to issue a convertible bond into the Company’s shares, for an initial nominal amount of €7,500,000, represented by 7,500,000 convertible bonds, each with a nominal value of one euro (€1) each (the “**OCA B-03 Tranche 2**”, together with the OCA B-03 Tranche 1, the “**OCAs**”), allowing their holder, in the event of conversion and under the conditions set forth in the OCA Subscription Agreements, to subscribe for a maximum number of 1,514,631 new ordinary shares of the Company at a rounded subscription price of €4.9517;

being recalled that the OCA issuance by The Blockchain Group Luxembourg S.A. is governed by Luxembourg law. The OCA so issued are subscribed in Bitcoin.

Where applicable, the share capital increase of the Company resulting from the conversion of the OCAs will be carried out in cash and paid up by way of set-off against receivables, in accordance with the provisions of the aforementioned fifth resolution.

The OCA B-03 Tranche 1 will allow their holder, in the event of conversion, to subscribe for a maximum number of 1,312,680 new ordinary shares of the Company at a subscription price of €3.809 per share, representing a 30% premium over the closing price on May 23, 2025.

In the event the option to subscribe to the OCA B-03 Tranche 2 is exercised, such securities will allow their holder, upon conversion, to subscribe for an initial number of 1,514,631 new ordinary shares of the Company at a subscription price of €4.9517 per share, representing a 30% premium over the conversion price of the OCA B-03 Tranche 1.

The OCAs 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.

The transaction does not require the preparation of a prospectus subject to approval by the AMF.

Key Characteristics of the OCA B-03 Tranche 1 Issuance

Issuer	The Blockchain Group Luxembourg SA, a wholly-owned Luxembourg subsidiary of The Blockchain Group.
Issuance	Issuance of convertible bonds reserved for a category of persons, pursuant to the delegation granted by the Shareholders' Meeting of February 21, 2025 (Resolution No. 5).
Amount	Estimated amount of €5,000,000 based on a Bitcoin price of €100,000.
Nominal value	EUR 1.
Subscription price	Nominal value.
Coupon	0%.
Maturity	5 years from their subscription.
Conversion price	3,809€ euros par action.
Use of funds	95% of the proceeds from the issuance are used to acquire and hold Bitcoin. The remaining 5% will be used by The Blockchain Group Luxembourg to finance its operational expenses and to pay management fees to The Blockchain Group SA for services provided by the latter.
Conversion	<p>By the bondholder, at any time before May 25, 2028, provided that the volume-weighted average price of the Company's shares over 20 consecutive trading days during the conversion period reaches at least 130% of the conversion price, i.e., €4.9517.</p> <p>By the bondholder or by the issuer, at any time between May 26, 2028 and May 25, 2030, provided that the volume-weighted average price of the Company's shares over 20 consecutive trading days during the conversion period reaches at least 130% of the conversion price, i.e., €4.9517.</p>
Redemption	If not converted earlier, redemption at maturity will be made in BTC or in EUR at the BTC sale price, or through conversion into shares, at the bondholder's discretion. In the absence of a choice expressed by the bondholder, the issuer will determine the redemption method.
Transfer	The OCAs are freely transferable.
New Shares	The shares of the Company issued upon conversion of the OCAs will carry current entitlement as from their date of issuance. They will have the same rights as those attached to the existing ordinary shares and will be admitted to trading on the Euronext Growth Paris market.
Security	The OCAs are not backed by any security interest.

Key Characteristics of the OCA B-03 Tranche 2 Issuance

The OCA B-03 Tranche 2 will have the same terms as the OCA B-03 Tranche 1, except for to the following:

Issuance	Option for the holder of OCA B-03 Tranche 1 to subscribe, in one or more tranches, within a period of 3 months from the issuance of the OCA B-03 Tranche 1, to an amount of OCA B-03 Tranche 2 equal to 1.5 times the nominal amount of the OCA B-03 Tranche 1.
Amount	An amount equal to 1.5 times the nominal amount of the OCA B-03 Tranche 1, i.e., an estimated amount of €7,500,000.
Maturity	5 years from their subscription.
Conversion price	€4.9517 per share.
Conversion	<p>By the bondholder, at any time before the third anniversary of their issuance date, provided that the volume-weighted average price of the Company's shares over 20 consecutive trading days during the conversion period reaches at least 130% of the conversion price of the OCA B-03 Tranche 2, i.e., at least €6.4372.</p> <p>By the bondholder or by the issuer, at any time between the third and fifth anniversary of their issuance date, provided that the volume-weighted average price of the Company's shares over 20 consecutive trading days during the conversion period reaches at least 130% of the conversion price of the OCA B-03 Tranche 2, i.e., at least €6.4372.</p>

Assumptions used for the purposes of this press release

The amounts indicated have been established based on an assumed theoretical value of BTC set at €100,000, along with an allocation of 95% of the funds to support its Bitcoin Treasury Company strategy.

The final amount of subscriptions to the OCAs, as well as the final amount of capital increases that may result from the conversion of the OCAs, will be determined by the Board of Directors based on the value of BTC at the time of its receipt in the wallet of The Blockchain Group Luxembourg SA held with Swissquote, in accordance with the terms of the OCA Subscription Agreements.

OCA B-02 issuance subscribed by Fulgur Ventures for ~€55.3M and by UTXO Management for ~€3M

Fulgur Ventures has notified to The Blockchain Group of his intention to subscribe to the OCA Tranche 2 (referred to as “**OCA B-02**”) in accordance with the terms of the OCA Issuance Agreements signed on March 4, 2025, the details of which were disclosed in a press release dated March 6, 2025.

UTXO Management has notified to The Blockchain Group of his intention to subscribe to the OCA Tranche 2 (referred to as “**OCA B-02**”) in accordance with the terms of the OCA Issuance Agreements signed on March 4, 2025, the details of which were disclosed in a press release dated March 6, 2025.

In this context, the Board of Directors met on May 25, 2025, Based on Article L. 228-93 of the French Commercial Code, to issue a convertible bond into the Company’s shares reserved to Fulgur Ventures, with an initial nominal amount of €55,279,428, represented by 55.279.428 Convertible Bonds B-02 with a nominal value of one euro (€1) each, fully subscribed in BTC, as well as a convertible bond into the Company’s shares reserved to UTXO Management, with an initial nominal amount of €3,030,558, represented by 3.030.558 Convertible Bonds B-02 with a nominal value of one euro (€1) each, fully subscribed in BTC.

The OCA B-02 thereby subscribed will entitle Fulgur Ventures, upon conversion, to subscribe to a maximum of 78,166,612 new ordinary shares of the Company at a subscription price of €0.707 per share, representing a 30% premium over the conversion price of the OCA Tranche 1, and will entitle UTXO Management, upon conversion, to subscribe to a maximum of 4,285,291 new ordinary shares of the Company at a subscription price of €0.707 per share, representing a 30% premium over the conversion price of the OCA Tranche 1.

The OCA B-02 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.

The transaction does not require the preparation of a prospectus subject to approval by the AMF.

Key Characteristics of the OCA Tranche 2 Issuance

The OCA Tranche 2 will have the same terms as the OCA Tranche 1 subscribed on March 4, 2025 by Fulgur Ventures and UTXO Management, 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	€55,279,428 by Fulgur Ventures, fully subscribed in BTC and €3,030,558 by Fulgur Ventures, fully subscribed in BTC.
Maturity	5 years from the subscription date.
Conversion Price	~€0.707 per share.
Conversion	<p>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.</p> <p>By the bondholder or the issuer: At any time between the 3rd and 5th 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.</p>

Given the recent high volatility in the share price observed since the signing of the OCA Agreements, the price per share set at €0.707 reflects a discount of 75.87% compared to the closing price on May 23, 2025.

Conversion of OCA Tranche 1 by Adam Back

Adam Back notified The Blockchain Group of his intention to convert all the Tranche 1 OCAs he holds, in accordance with the terms of the OCA Issuance Agreement signed on March 4, 2025, the details of which were disclosed in a press release dated March 6, 2025.

The conversion of all 8,097,961 Tranche 1 OCAs by Adam Back will result in the issuance of 14,885,957 new ordinary shares of the Company at a subscription price of €0.544 per share. This conversion price was set by the Board of Directors by applying a 30% premium over the volume-weighted average price (VWAP) of the Company's shares over the twenty trading days preceding the Board meeting of March 4, 2025, related to the issuance of Tranche 1 OCAs.

Given the high volatility in the share price observed since the signing of the OCA Issuance Agreement, the conversion price of €0.544 represents a discount of 80.4% compared to the closing price on May 26, 2025.

The issuance of the 14,885,957 new ordinary shares of the Company resulting from the conversion by Adam Back of 8,097,961 Tranche 1 OCAs will be fully paid up through debt set-off. In accordance with Article R. 225-134 of the French Commercial Code, the payment of the 14,885,957 new ordinary shares by way of debt set-off against the Company will be recorded in an account statement drawn up by the Board of Directors and certified as accurate by the statutory auditor.

The Tranche 1 OCAs will be converted into ordinary shares of the Company in the following proportions:

Investor	OCA Tranche 1 converted	Ordinary shares issued
Adam Back	8,097,961	14,885,957
Total	8,097,961	14,885,957

Impact of the operation on the Company's shareholding

The impact of OCA Tranche 2 conversion on the shareholding structure would be as follows:

Shareholders	Situation as of May 26, 2025		Fully diluted basis (*)	
	Number of shares	% capital	Number of shares	% capital
Executives	11,899,918	10.17%	14,866,131	4.87%
Fulgur Ventures	-	0.00%	145,911,009	47.83%
Adam Back	18,552,623	15.85%	35,728,729	11.71%
TOBAM	3,658,980	3.13%	8,009,187	2.63%
UTXO Management	-	0.00%	7,999,210	2.62%
Moonlight Capital	-	0.00%	1,312,680	0.43%
Generali Ambition Solidaire	1,000,000	0.85%	1,000,000	0.33%
Jean-Marie Formigé	2,000,000	1.71%	2,000,000	0.66%
Quadrille Capital	686,059	0.59%	1,272,455	0.42%
EFG Bank	1,000,000	0.85%	1,000,000	0.33%
VP Bank	245,000	0.21%	245,000	0.08%
Patrick Zbinden	200,000	0.17%	200,000	0.07%
Robbie van den Oetelaar	-	0.00%	2,000,000	0.66%
Yves Choueifaty	-	0.00%	390,931	0.13%
Private Placement	-	0.00%	3,398,361	1.11%
Free Shares**	-	0.00%	1,880,000	0.62%
Public & Institutional	77,817,865	66.48%	77,817,865	25.51%
TOTAL	117,060,445	100%	305,031,558	100%

(*) Calculations were made based on the number of shares comprising the Company's share capital as of May 26, 2025, adding the number of shares resulting from (i) the conversion of all issued OCA B-01, OCA B-02, and OCA B-03 Tranche 1, (ii) the issuance of Free Shares whose grant has been decided, and (iii) the capital increase decided on May 19, 2025. The Company notes that the fully diluted basis does not include the potential addition of shares resulting from (i) the conversion of BSA 2025-01 issued as announced on April 7, 2025, and (ii) adjustment measures in favor of OCA holders.

(**) Free shares, the allocation of which has been decided but not yet effectively issued as of today, included in the situation as of May 26, 2025 in the fully diluted basis.

The impact of these operations on the Company's share capital is as follows:

	Equity amount	Total number of shares (undiluted basis)	Equity per share (undiluted basis)	Equity per share (fully diluted basis) ⁽¹⁾	Situation of the shareholder holding 1%
As of December 31, 2024	€5 359 487.02	93 384 449	0.06 €	0.38 €	1.00%
Following the conversion of the OCA B-01, and the issuance of the OCA B-02 and the OCA B-03 Tranche 1	€14 013 992.72	194 325 138	0.07 €	0.50 €	0.40%

(1) For the purpose of calculating the equity per share on a fully diluted basis, the calculation is based on:

- the shareholders' equity as of December 31, 2024, to which has been added the proceeds from the issuance of OCAs on March 4, 2025, the proceeds from the capital increases announced on May 9 and May 20, 2025, the proceeds from all issued OCA B-02 and OCA B-03 Tranche 1, and the proceeds from the potential full exercise of the BSA 2025-01; and
- the number of shares as of December 31, 2024, to which have been added the shares resulting from the conversion of all OCAs issued on March 4, 2025, the capital increases announced on May 9 and May 20, 2025, the conversion of all issued OCA B-02 and OCA B-03 Tranche 1, the issuance of free shares, and the potential full exercise of the BSA 2025-01.

Risk factors

The Company reminds that the risk factors related to the Company and to its business are detailed in its 2024 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.

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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

Ticker: ALTBG

ISIN: FR0011053636

Reuters: ALTBG.PA

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