vertible senior notes due 2032. The proceeds were used to acquire approximately 11,931 bitcoins[7] between April 27 and June 19, 2024.

4. September 18, 2024[8]: The company offered $1.01 billion in 0.625% convertible senior notes due 2028. The net proceeds were used to redeem existing senior secured notes and to purchase additional bitcoin.
5. November 21, 2024[9]:MicroStrategy completed a $3 billion offering of 0% convertible senior notes due 2029. The proceeds were allocated for the acquisition of additional bitcoin.

MSTR is issuing convertible bonds and using the proceeds to refinance its debt and buy bitcoin. If they were an individual, they would be the equivalent of a person mortgaging all of their assets to buy more and more bitcoin. It's worthwhile remembering here that bitcoin is a bearer asset (even though MSTR doesn't technically hold their keys, it's a relevant factor). The reason it is significant is because as the value of the equity erodes and dilutes through the eventual

[7]https://www.sec.gov/Archives/edgar/data/1050446/000119312521189600/d148411d8k.htm

[8]https://www.sec.gov/Archives/edgar/data/1050446/000119312524221085/d889953dex992.htm

[9]https://www.sec.gov/Archives/edgar/data/1050446/000119312524263404/d905221dex991.htm

conversion of the bonds, the company will maintain the full ownership of its bitcoin.

The November 21 offering is notable because it offered 0% yield, and they raised $3 billion. Why would anybody ever buy MSTR bonds that pay essentially no yield? It really comes down to the fact that there are a lot of companies who either 1) can't buy bitcoin directly, or 2) have money trapped in structures that can't buy bitcoin and they want bitcoin price exposure. MSTR is exploiting these companies' archaic constraints as the first mover in bitcoin accumulation. It offers the appreciation of its balance sheet, consisting of bitcoin, to companies that lacked the foresight to do so in 2020. These subscribers aren't looking to solve the savings problem, necessarily. Saylor already demonstrated that actual bitcoin is the singular way to solve that, and if there is a second-best method, it would be to purchase shares of the (newly available in 2024) spot bitcoin ETF. These companies are different. They are institutions like banks or insurance companies who have capital requirements determined by the overall risks of their businesses, including the manner in which their capital is invested. Regulators and rating agencies assign "risk charges" to various asset classes that deter the investment into "risky" assets.

The primary buyers of the most recent MSTR bonds appear to be European insurance companies looking to arbitrage the regulatory guidelines of Solvency 2, which dictate capital requirements for European insurance companies.