

24 June 2025

TAO Alpha PLC
("TAO" or "the Company")

Proposed second secured convertible loan note with a minimum raise of £100m with initial commitments including those from ParaFi Capital and other investors.

Following the announcements last week of the Company's BTC treasury strategy, the Company has received unprecedented demand, through its lead broker, Fortified Securities, and directly, for participation in the journey of the Company.

The board is pleased to announce that a US focused broker, Dawson James Securities (**DJS**), has been appointed by the Company to work alongside Fortified Securities to help navigate such demand and the ability to execute present and future fundraises in light of various regulatory and legal requirements with US based investors.

Between Fortified Securities and DJS, the Company is in the process of securing commitments into a second secured convertible loan note (**New Notes**) from leading global digital asset investment firm ParaFi Capital and other investors, totalling £20m in initial commitments so far. The New Notes will be in addition to the previously announced £5m raise which was successfully concluded following its announcement on 17 June 2025 (the **Initial Raise**).

The New Notes are anticipated to have the following terms:

- Secured by a first ranking debenture (in priority to the initial £5m previously announced);
- No interest or fees accrue on the balance advanced to the Company (except for customary default interest if applicable);
- Automatic conversion on (a) the approval of the requisite shareholder authorities at a specially convened general meeting and (b) the approval of a secondary prospectus resulting in admission to the Main Market of the resulting ordinary shares in the Company with a longstop date for conversion of 30 September 2025 (the **Longstop Date**);
- The conversion price is fixed at £0.01 (one pence) per ordinary share;
- A maturity date of 90 days from the Longstop Date if an automatic conversion has not been triggered by then.

The definitive terms of the New Notes are to be finalised following the closing of the raise and will be dependent on various conditions including consideration of the macro impacts and global conditions. The Company will provide updates once definitive terms have been finalised.

The Company has mandated Fortified Securities and DJS to raise additional commitments for the New Notes from professional investors and qualifying investors with a minimum raise of £100m (one hundred million pounds). The fundraising with respect to the New Notes will be open for 20 trading days from the date of this announcement but may be shortened or lengthened depending on demand and the composition of the book (such adjustments will be announced to the market). The board will ensure relevant updates are provided in due course including confirmation of the execution of definitive documentation for the initial commitments and other participants in the New Notes.

Subject to completion of the issue of the New Notes, the syndicate of investors in the Initial Raise will receive seed warrants to counteract the increased dilution from the follow-on raise arising from the New Notes. For every £1m over £100m raised, the syndicate will be granted 1% warrant coverage on their investment which will be exercisable at the same price as the fixed price conversion price for the Initial Raise. The seed warrants will have a 5 year-term from grant and will not be exercisable until the New Notes have automatically converted.

Matthew Lodge, CEO of TAO Alpha, said: *"The demand and enquiries we have received this week has been unprecedented. This follow-on raise led by some of the world's best crypto investors will enable TAO Alpha to take its ambitious plans to a global level once closed. Following the closing of the round we will work quickly with our advisors to ensure that the prospectus is advanced with the FCA to ensure that the conversion of these funding rounds into shares (at their respective fixed prices) will be concluded as soon as is practicable."*

This announcement contains information which, prior to its disclosure, was inside information as stipulated under Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 (as amended). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

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Appointed US broker for qualifying US investors	

Forward looking statements

This announcement contains "forward-looking statements," which can be identified by words like "may," "will," "likely," "should," "expect," "anticipate," "future," "plan," "believe," "intend," "goal," "seek," "estimate," "project," "continue" and similar expressions. Further, the initial commitments are subject to contract. Forward-looking statements are neither historical facts nor assurances of future performance and the initial commitments are subject to definitive legal documentation. Instead, the forward-looking statements are based only on the Company's current beliefs, expectations and assumptions regarding the future of its business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the Company's control. As the initial commitments are subject to definitive documentation, the Company cannot guarantee their execution.

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