



**tZERO Group, Inc.
TZROP Consent Solicitation - FAQs
April 7, 2026**

tZERO Group, Inc., a Delaware corporation (“tZERO,” “we” or “our”), proposes to amend the terms of its Preferred Equity Tokens, Series A, par value \$0.01 per share (“TZROP”), to allow tZERO to convert (the “Conversion”) all shares of TZROP into tZERO’s Series B Preferred Stock, par value \$0.01 per share (the “Series B Preferred Stock”), at a rate of 1:3, subject to the approval of the majority of TZROP holders and satisfaction of all conditions precedent to the Conversion.

THE CONSENT SOLICITATION WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON APRIL 28, 2026. IN ORDER TO VOTE ON THE MATTERS SET FORTH HEREIN, PLEASE VISIT OUR SECURE VOTING PORTAL AT <https://tzrop.consent.vote>.

The following are answers to frequently asked questions (“FAQ”) relating to the Conversion. You can always contact tZERO at tzropamendment@tzero.com if you have additional questions. We have also retained MacKenzie Partners to assist us with administrative matters and investor relations in connection with this proposal.

Q: What is being proposed?

A: An amendment to the Certificate of Designation of TZROP that will provide for the automatic conversion of TZROP into shares of Series B Preferred Stock (the “Amendment”) upon filing of the Amendment with the Delaware Secretary of State.

Q: Why is tZERO proposing this change?

A: The rights and preferences of TZROP have, from time to time, constrained tZERO’s ability to raise capital and pursue strategic transactions. Prospective investors and strategic partners have expressed concern that value creation by prospective new investors is effectively subordinated to an uncertain and potentially high future redemption price of TZROP, minority investor and dividend overhang, and other related risks. As a result, our Board has determined it to be in the best interest of the Company and its stockholders to convert TZROP into shares of Series B Preferred Stock.

By simplifying its capital structure, tZERO expects to better position itself to raise capital, continue operations, and execute on exit and other strategic opportunities. This constraint has also impacted the ability of holders of TZROP, as one of the original investor cohorts behind tZERO’s vision as the tokenized infrastructure leader, to recognize the value of

their contribution to tZERO by limiting the company's ability to finance sustainable operations and growth as it executes on its strategy post the leadership reset. The conversion will provide existing TZROP holders with a more clear path to sharing in the future growth of the Company, with stronger governance and downside protections through enhanced liquidation preference and real governance rights. At the Conversion, holders would continue to hold a preferred (or senior) position and retain many rights and protections commonly afforded to holders of preferred stock.

Q: What are you asking of TZROP holders?

A: To vote in favor of the Amendment prior to 5:00 p.m. EDT on April 28, 2026.

Q: Who is eligible to vote?

A: All TZROP holders of record as of 11:30 p.m. EDT on March 24, 2026.

Q: How do I vote?

A: By accessing our secure voting portal through the link contained in an email sent to each holder of TZROP from tzropamendment@mackenziepartners.com, entering their unique credentials included in that email, and voting "FOR" the Amendment. TZROP reserves the right (but is not obligated) to accept any vote received by any other reasonable means or in any form that reasonably evidences the giving of consent to the approval of the Amendment.

Q: What if I don't vote?

A: It will have the same effect as voting against the Amendment.

Q: Can I revoke or change my vote?

A: No, all votes are final once completed on the platform.

Q: Can I vote after 5:00 p.m. EDT on April 28, 2026?

A: No, unless tZERO decides to extend the voting period at its sole discretion.

Q: How many shares of Series B Preferred Stock will I receive in the Conversion?

A: Each share of TZROP will be exchanged for three shares of Series B Preferred Stock (1:3).

Q: What's the difference between TZROP and the Series B Preferred Stock?

A: See [Annex A](#) to the FAQ for a summary comparison of terms.

Q: Will my investment lose its relative seniority in tZERO's capital structure if the Conversion is completed?

A: No. Since the proposal contemplates converting the entire TZROP class in Series B Preferred Stock, the Series B Preferred Stock will become the senior most equity security of tZERO upon completion of the Conversion. You are effectively exchanging your position in the current senior class for a position in a new, unified senior class with enhanced economic and governance features.

Q: Will I have any dividend rights post conversion?

A: The Series B Preferred Stock carries "participating" dividend rights. If tZERO declares a dividend on Common Stock or any junior/pari passu securities, Series B holders are entitled to a payout based on their as-converted share count. These dividends are non-cumulative, meaning they are only payable if and when declared by the Board. Notably, the right that attached to TZROP shares to receive quarterly non-cumulative dividends if tZERO's consolidated GAAP net income exceeds 10% of its consolidated GAAP gross profit for that quarter and if tZERO is legally able to declare a dividend and if its is declared by the board, will cease. To date, tZERO has not issued any dividends to TZROP holders.

Q: How does the liquidation preference of Series B Preferred Stock compare to my current TZROP liquidation preference?

A: TZROP holders are entitled to limited preferential liquidation rights equal to USD \$0.10 per share to the extent funds are available. Holders of Series B Preferred Stock have a "participating preferred" liquidation preference, entitling you to receive the greater of (i) 1.25 times the Series B Original Issue Price (\$0.5497 per share), plus any declared but unpaid dividends, or (ii) the amount you would have received had your shares been converted to Common Stock immediately prior to such event, providing you with the better economic result and ability to participate in the growth of the company.

Q: How will my voting rights change?

A: As a TZROP holder, you currently have no voting rights, other than those required under applicable law. The holders of Series B Preferred Stock, voting as a separate class, are entitled to elect one director to the Board (the "**Series B Director**"). On all other matters presented to stockholders, if any, Series B Preferred Stock holders vote together with the shares of Common Stock on matters submitted to the stockholders.

Q: Are there any conditions precedent to the Amendment?

A: The Conversion will only occur if the following conditions are met:

- The affirmative vote of the majority of the holders of TZROP as of March 24, 2026 in favor of the Amendment;

- The affirmative vote of the holders of a majority of the voting power of our Common Stock (including holders of the Series B Preferred Stock on an as converted to Common Stock basis) approving the termination of certain agreements between Series B Preferred Stock and tZERO;
- The affirmative vote of the holders of a majority of the voting power of the Series B Preferred Stock approving the Amendment, the increase in authorized shares of Series B Preferred Stock, the amendments to the Series B Preferred Stock certificate of designation as set forth in the consent solicitation materials and the termination of certain agreements between Series B Preferred Stock and tZERO; and
- Certain additional conditions set out in the Consent Solicitation Statement under “The Proposal – Conditions Precedent.”

We will post a notice [here](#) when all conditions precedent are met.

Q: When will the Conversion occur if the conditions precedent are met?

A: The Amendment will be filed on the second business day following the satisfaction of all the conditions precedent.

Q: What actions will be taken by tZERO on the Conversion date?

A: On the Conversion date, each share of TZROP will be converted into three shares of Series B Preferred Stock. TZROP tokens will be “burned”, and the exchanged-for Series B Preferred Stock will be fully tokenized.

Q: What does tZERO mean when it says the Series B Preferred Stock will be fully tokenized?

A: tZERO will utilize the Ethereum blockchain to record and maintain the definitive record of ownership of the Series B Preferred Stock upon conversion. Each record holder and their holdings of the Series B Preferred Stock will be recorded on the blockchain with a unique digital wallet address controlled by tZERO. While the security position information of each record holder will be publicly viewable on the blockchain, personal identifiable information of record holders will not be publicly available; such information will be maintained confidentially off-chain by tZERO. The tokenized Series B Preferred Stock will have the same tokenization features as the tokenized TZROP and be considered a digital asset security.

Q: What is a digital asset security?

A: A digital asset security is a security that is issued and/or transferred using distributed ledger or blockchain technology, which also serves as the source of truth for record ownership. The smart contract technology governing a digital asset security may, at an issuer's discretion, offer its holders certain automated utility features. Following the Conversion, the Series B Preferred Stock will be a digital asset security.

Q: What is a record holder, and how do I know if I am one?

A: Record holders own shares of TZROP directly and are listed on the TZROP shareholder register. If you own TZROP but do not hold them in a tZERO Digital Asset Securities, LLC (“tZERO Digital”) brokerage account, you are a record holder. If you hold shares of TZROP in your tZERO Digital brokerage account, you are not a record holder.

Q: What if I hold my tZROP in a tZERO Digital brokerage account?

A: Your converted Series B Preferred Stock will be delivered to your tZERO Digital brokerage account and a wallet controlled by tZERO Digital.

Q: How will tZERO Digital custody my Series B Preferred Stock following the Conversion?

A: tZERO Digital will custody Series B Preferred Stock for its customers in one or more omnibus custodial wallets for the benefit of its customers. The aggregate number of shares held in these custodial wallets will be visible on the Ethereum blockchain. Once your shares of Series B Preferred Stock are on deposit with tZERO Digital, you will not have access to the private keys controlling the wallet address where your shares of Series B Preferred Stock are held under any circumstances. Your beneficial ownership of Series B Preferred Stock will be recorded on a book-entry basis in tZERO Digital’s clearing software and will not be visible on the blockchain.

Q: After the Conversion, do I need to utilize a wallet for my Series B Preferred Stock?

A: No. tZERO will administer all wallets and keys associated with the maintenance of the Series B Preferred Stock shareholder register. Record holders will not be permitted to hold shares in a personal wallet address. For shares of Series B Preferred Stock held in a brokerage account, tZERO Digital will administer all wallets and keys associated with the shares of Series B Preferred Stock in its custody.

Q: What rights does Series B Preferred Stock have?

- **A: See Annex A for a summary for the following rights:**
 - Liquidation preference
 - Dividends
 - Voting and consent rights over certain corporate matters
 - Right to designate one board member as a class

Q: What is the securities law basis for the Conversion?

A: The Conversion is being completed in accordance with Section 3(a)(9) of the Securities Act of 1933, as amended (the “**Securities Act**”), which provides an exemption from registration for the Series B Preferred Stock issued pursuant to the Conversion.

Q: Will the Series B Preferred Stock I receive in the Conversion be freely tradeable?

A: Yes. Securities issued in a Section 3(a)(9) exchange acquire the same character (i.e., “restricted” or “unrestricted”) as the securities surrendered. Therefore, since the restrictive legend for all TZROP shares have been lifted, the shares you receive in the Conversion will be unrestricted and freely tradeable.

Q: If the Amendment is approved, when will TZROP cease trading on the tZERO Securities ATS?

A: At 11:30 p.m. EDT on the business day following the satisfaction of all the conditions precedent.

Q: Can I trade the Series B Preferred Stock on the tZERO Securities ATS?

A: tZERO intends to conduct semi-annual auction-based liquidity opportunities using tZERO’s Private Markets Auction Facility platform, following the Conversion. The Series B Preferred Stock will not be available for continued trading as TZROP is today.

Q: Does tZERO have any plans to raise additional capital?

A: Yes. Bed Bath & Beyond has indicated its intention in a non-binding letter of intent to invest up to \$10 million through a convertible note financing contingent on the completion of the Conversion. Full details of the proposed transaction are available in the Consent Solicitation Statement, available [here](#). Eligible existing tZERO investors and other qualified parties who wish to participate in this financing on similar terms may contact tZERO at ir@tzero.com. tZERO intends to examine and pursue additional capital raising opportunities as they become available.

Q: What happens if the Amendment is not approved and the conditions precedent to the Conversion are not met?

A: TZROP will continue under its current structure and terms.

Q: What ownership would TZROP holders have after the Conversion?

A: Based on our March 24, 2026 capitalization table, upon conversion, the exchanged-for Series B shares would represent approximately (i) 31% of the Series B Preferred Stock and (ii) 11% of total company capitalization on a fully dilutive basis.

Q: When will holders vote?

A: You will be able to vote starting on April 7, 2026 and ending on April 28, 2026 at 5:00 p.m. EDT using our secure online voting portal accessible [here](#).

Q: Are there any tax consequences of the Conversion?

A: We intend to take the position that the Conversion qualifies as a recapitalization. If the Conversion qualifies as a recapitalization, a holder will not recognize gain or loss. However, there can be no assurance that the IRS will agree with our position. Therefore, we strongly urge you to consult with your own tax advisor regarding the implications of this Conversion. See “The Proposal –Certain U.S. Federal Income Tax Considerations” set out in the Consent Solicitation Statement.

Q: After the Conversion, who do I contact for questions?

A: Please contact ir@tzero.com if you are a record holder. If you own shares through your brokerage account, please contact support@tzero.com. We have also retained MacKenzie Partners to assist us with administrative matters and investor relations in connection with this proposal.

Annex A

The following table compares certain rights and preferences afforded to the holders of Series B Preferred Stock when compared to those afforded to holders of TZROP, and, identifies certain enhanced rights that are afforded to holders of shares of Series B Preferred Stock when compared to holders of TZROP.

	<u>TZROP</u>	<u>Series B Preferred Stock</u>
<u>Liquidation Preference:</u>	<p> Holders are entitled to limited preferential liquidation rights equal to USD \$0.10 per share to the extent funds are available.</p>	<p> Preferential liquidation rights equal to the greater of (i) one and one-quarter (1.25) times the Series B Original Issue Price (being \$0.5497), plus any declared but unpaid dividends, and (ii) the amount per share that would have been payable had all shares of Series B been converted into Common Stock.</p>
<u>Dividends:</u>	<p> Holders have the right to receive noncumulative dividends when, as and if declared by the Board on a quarterly basis, but only if the Company's consolidated GAAP net income exceeds 10% of the Company's consolidated GAAP gross profit for the related completed fiscal quarter.</p> <p> Holders are not entitled to participate in any dividends paid to the holders of Common Stock or other shares of capital stock of the Company.</p>	<p> Each share of Series B Preferred Stock is entitled to first or simultaneously receive a dividend in an amount at least equal to</p> <p style="padding-left: 40px;">(i) if the dividend is declared with respect to the Common Stock or any class or series that is convertible into Common Stock, the dividend received by a holder of the Common Stock or such class or series or</p> <p style="padding-left: 40px;">(ii) if the dividend is declared on any class or series that is not convertible into Common Stock, at a rate per share of Series B determined by (a) dividing</p>

		<p>the amount of the dividend payable on each share of such class or series by the original issuance price of such class or series (subject to appropriate adjustment) and (b) multiplying such fraction by an amount equal to \$0.5497 per share, subject to appropriate adjustment.</p>
<u>Ranking:</u>	Senior to Common Stock and the Series B Preferred Stock	Senior to Common Stock; junior to the TZROP (but will become senior-most class of equity following conversion)
<u>Voting Rights; Appointment of Director:</u>	None (unless required by law)	<p>Vote together with the shares of Common Stock on matters submitted to the stockholders, if any.</p> <p>Holder of Series B Preferred Stock, as a class, appoint one director to the Board and have certain other approval rights under circumstances described in the proxy statement.</p>
<u>Preemptive Right:</u>	None	None
<u>Anti-Dilution Protection:</u>	None	Afforded weighted average anti-dilution protection

<u>Optional Conversion:</u>	None	The Series B Preferred Stock is convertible 1:1 to Common Stock at any time at option of holder (subject to adjustments for stock dividends, splits, combinations and similar events and as adjusted under anti-dilution rights).
<u>Mandatory Conversion:</u>	None	Each share of Series B Preferred will automatically be converted into Common Stock at the then-applicable conversion rate in the event of the closing of a firm commitment underwritten public offering or the closing of a merger with a SPAC or certain other transactions (in each case subject to certain conditions).
<u>Protective Provisions:</u>	None	Certain protective provisions apply to the Series B Preferred Stock, as detailed further in the Series B CoD.
<u>Subject to Redemption:</u>	Subject to a redemption right in favor of the Company. The redemption price is equal to the fair market value (if any) as determined in good faith by the Board (but, in no event, less than \$10.00) or if no fair market value is determinable, \$10.00 per tZERO Token.	None
<u>Secondary Liquidity:</u>	Continuous trading on the tZERO Securities ATS	The Company intends to conduct semi-annual auction-based liquidity opportunities, using its Private Markets Auctions Facility to provide holders of Class B Preferred

		Stock with access to secondary liquidity.
<u>Tokenization</u>	The shareholder register of TZROP is a digitally native blockchain-based shareholder register, with automated smart contract functionality, making TZROP a “digital asset security” under applicable regulatory guidance.	Upon conversion, the Company will fully tokenize the Series B Preferred Stock.