



The Rise and Catastrophic Fall of American Bitcoin Corp.

An Analysis of the ABTC Stock Crash

Based on the events of March 3rd, 2026, and publicly available financial data.

A Tale of Two Announcements

On March 3rd, 2026, Eric Trump's American Bitcoin Corp. (ABTC) announced a massive expansion with nearly 11,300 new mining machines. Instead of soaring, the stock crashed below the critical \$1 threshold.

The Official News

- Purchase of 11,298 new miners
- 12% expansion in total capacity
- Goal to lead Bitcoin mining in America

The Market Reality

- Stock fell over 7%
- Touched an intraday low of \$0.95
- Broke the key \$1 psychological level

The Real Reason: A Ticking Clock Hit Zero

The stock crash wasn't caused by the expansion news or the price of Bitcoin. It was triggered by a pre-determined event: the expiration of a 180-day lockup period for early investors.



What is American Bitcoin Corp. (ABTC)?

Core Business

A Bitcoin mining and accumulation company. It mines Bitcoin and holds it on its balance sheet, aiming to build a large treasury.

Key Figures

Co-founded by Eric Trump (Chief Strategy Officer) and Donald Trump Jr. (Major Shareholder).

Ownership Structure

Majority-owned (80%) by Canadian mining giant Hut 8. The remaining 20% is held by the Trumps and other early investors.

From Rocket Ship to Wreckage

After going public via a reverse merger in September 2025, ABTC stock was a sensation, launching during a crypto bull run. The hype was real, but short-lived.



The stock plummeted approximately 93% from its 52-week high of \$14.65 to under \$1.

The Lockup Expiration Explained

What is a Lockup Period?

A standard Wall Street practice where early, private investors are legally prohibited from selling their shares for a set period after a company goes public. This prevents them from flooding the market and crashing the price.

The Impact on ABTC

On March 3rd, 2026, the 180-day lockup for ABTC's early investors expired. They were legally allowed to sell for the first time, creating massive selling pressure. The market viewed the miner announcement as a distraction or an 'exit ramp' for these sellers.

A Look at the Complicated Financials

Despite the stock's collapse, the company's financial performance is a nuanced picture of growing revenue, a strong Bitcoin treasury, but massive accounting losses.

Growing Revenue

Generated \$185.2M in annual revenue in 2025.

Significant Net Loss

Posted a net loss of \$153.2M for the year, primarily due to a non-cash loss on its Bitcoin holdings.

Expanding Treasury

Held over 6,000 Bitcoin on its balance sheet by early 2026.

Understanding the \$227M "Paper Loss"

The company's large reported loss is not cash leaving the company. It's a non-cash, unrealized accounting loss required by new FASB rules.

- Companies holding Bitcoin must revalue their holdings each quarter based on market price.
- Bitcoin dropped ~23% in Q4 2025, forcing ABTC to record this "paper loss."
- If Bitcoin's price recovers, this loss reverses on the balance sheet.



The Strategic Divide: Bitcoin Pure-Play vs. AI Pivot

While ABTC is going all-in on a "Bitcoin only" strategy, nearly all of its major competitors are diversifying into AI infrastructure, which uses similar data center hardware.

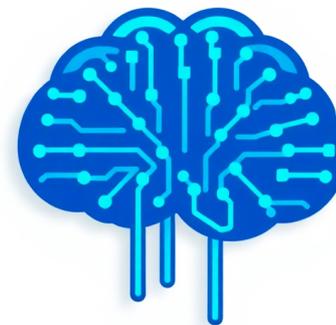
ABTC: All-In on Bitcoin

- Strategy: Mine and hoard Bitcoin.
- Bet: Bitcoin's price will go up significantly.



Competitors: Pivot to AI

- Companies: Marathon, Hut 8, Biter, CleanSpark.
- Strategy: Repurpose mining infrastructure for AI computing contracts.
- Bet: AI offers more predictable revenue streams.



A Broader Brand Under Pressure

ABTC's struggles exist within a larger context of underperformance across the Trump family's crypto-related ventures, creating a negative narrative for the brand.

Asset	Ticker/Token	Approx. Drop From High
American Bitcoin	ABTC	~93%
World Liberty Financials	WLFI	~70%
Trump Memecoin	TRUMP	~87%
Trump Media	DJT	~75%

The Outlook: Bull Case vs. Bear Case

The Bear Case (Why it could fall)

- More lockups expire in September 2026.
- Entire business depends on Bitcoin's price.
- Competitors' AI pivot may prove more profitable.
- Risk of further shareholder dilution from capital raises.

The Bull Case (Why it could recover)

- Lockup selling pressure is a temporary event.
- A Bitcoin price recovery would reverse losses and multiply gains.
- Strong mining economics (53% discount to spot price).
- Significant treasury of over 6,000 BTC.

5 Key Lessons from the ABTC Saga

1. Branding is Not a Moat

A famous name attracts hype but doesn't protect a stock from fundamental market mechanics.

2. Lockups Are Predictable

Lockup expiration dates are public information in SEC filings. Serious investors plan for them.

3. Miners Are Leveraged Bitcoin

A 45% drop in Bitcoin led to a 93% drop in ABTC. Mining stocks amplify Bitcoin's price movements.

4. Headlines Can Mislead

A positive headline about expansion buried the real story of the lockup expiry. Always read the full picture.

5. Timing is Everything

Early private investors may still profit at \$1, while retail investors who bought at the peak are down over 90%.

The Central Question

Ultimately, the recovery of ABTC depends on one factor above all others: the future price of Bitcoin. The stock is a high-risk, leveraged bet on the thesis that Bitcoin will be significantly higher in the future. If you believe in that thesis, the bull case has merit. If not, the risk profile is extreme.



Disclaimer

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