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ATA Creativity Global Entered into a Memorandum of Understanding with Baby BTC Strategic Capital Limited

BEIJING, CN / [ACCESS Newswire](#) / August 1, 2025 /NASDAQ-listed company ATA Creativity Global (Nasdaq:AACG) (hereinafter referred to as the "Company") has formally signed a Memorandum of Understanding (MOU) with Baby BTC Strategic Capital Limited (referred to as "Baby Capital"). Baby Capital is a special purpose fund lead-invested by the Babylon Foundation, established for the purpose of holding listed companies. According to the agreement, Baby Capital will subscribe for new shares of the Company with a total value of up to 30 million US dollars, and at the same time obtain warrants worth 70 million US dollars, making the total investment scale of this transaction reach up to 100 million US dollars. Upon completion of the transaction, Baby Capital will gain control of the Company and appoint 3 directors to the listed company to conduct a comprehensive restructuring of the board of directors. This marks a new stage in the integration of traditional capital markets and the cutting-edge Bitcoin ecosystem.

In the current market, some listed companies deploy encrypted assets through Treasury. For example, MSTR takes large-scale hoarding of Bitcoin as its core strategy, while SBET focuses on Ethereum-related ecosystems. However, the plan of Baby Capital to hold ATA Creativity Global is essentially different from such models, and its core competitiveness is reflected in two unique advantages:

I. Activating the Bitcoin ecosystem and creating a DeFi application entrance

Due to the lack of smart contract functions, Bitcoin has long been limited to the scenario of value storage and is difficult to integrate into DeFi and other application ecosystems. The innovative technology of the Babylon Foundation just solves this pain point - as an innovative Bitcoin Layer 2 network project, it focuses on realizing trustless and non-custodial Bitcoin staking to enhance the security of Proof-of-Stake (PoS) blockchains and other decentralized systems. Its world's first trustless Bitcoin staking protocol allows BTC holders to directly self-stake their assets on the Bitcoin blockchain without third-party custody, wrapping or bridging, which not only ensures the security of users' assets but also integrates Bitcoin into the broad ecosystem such as DeFi, expanding its multiple applications beyond value storage.

Since the launch of its mainnet in August 2024, Babylon has attracted more than 57,000 Bitcoins for staking, with a total staking value exceeding 5 billion US dollars as of July 2025. The strong growth of TVL fully verifies the market's recognition of its technology and model.

The Babylon team is a top in the industry: co-founded by Professor David Tse, a professor of engineering at Stanford University, a member of the National Academy of Engineering, and an information theory expert, and Dr. Fisher Yu, a cryptographer and former senior engineer at Dolby Laboratories. Their profound academic background and technical accumulation have laid a solid foundation for the project. At the capital level, Babylon has raised more than 96 million US dollars through multiple rounds of financing, favored by many top institutions, including Paradigm (leading the 70 million US dollar financing in May 2024), Polychain Capital, Hack VC, OKX Ventures, Binance Labs (YZI Labs), Bullish Capital, Framework Ventures, Polygon Ventures, Castle Island Ventures, Breyer Capital, etc. The strong lineup of investors demonstrates the industry's high recognition of its potential. Meanwhile, its native token Baby has covered all major exchanges such as Binance, OKX, Bybit, Bitget, KuCoin, MEXC, and Gate, with significant advantages in trading convenience and market liquidity.

After the cooperation, ATA Creativity Global will work in deep collaboration with the Babylon Foundation to fully expand Bitcoin staking business, aiming to cover 100,000, 200,000 or even one million Bitcoins and introduce them into DeFi ecosystems and various application scenarios. Relying on the exclusive technical support of Babylon, the Company has become the only listed company with such capability, and is expected to activate the application potential of Bitcoin's 2 trillion US dollars of financial assets, which is in sharp contrast to the simple asset hoarding model like MSTR.

II. Subversive acquisition strength to reshape the value of Baby tokens

As the core asset of the Babylon ecosystem, Baby tokens have been listed on all major exchanges such as Binance and OKX, but their actual circulating market value is less than 100 million US dollars. This time, ATA Creativity Global will specially acquire Baby tokens with a total scale of 100 million US dollars (including new share subscription and warrants), which is equivalent to investing in the market with a capital scale equal to or even exceeding its circulating supply. This strength is unprecedented in the industry - analogous to MSTR acquiring Bitcoin with 2 trillion US dollars or SBET acquiring Ethereum with 400 billion US dollars, its price reshaping effect will be highly explosive.

After gaining control of the listed company, ATA Creativity Global will focus on "strategic reserve treasury", investing most of its proceeds from the abovementioned transactions in Baby tokens and a small part in Bitcoin, relying on the circulation foundation of Baby tokens on major exchanges and the current actual circulating market value of about 100 million US dollars to accumulate energy for subsequent value growth.

More importantly, Baby tokens will not face large-scale unlocking pressure in the next year, providing a stable environment for value discovery. After the cooperation, the Company will build a sustained growth mechanism: continuously acquire Baby tokens and Bitcoin through batch issuance of stocks in the form of PIPE and ATM, and issuance of convertible bonds. The Company's continuous acquisition will form a positive cycle of "asset appreciation - market value increase", which is completely different from the conventional layout of high-market-value tokens in the market.

The investment logic of this cooperation is clear and highly forward-looking: it is currently on the eve of the outbreak of the Bitcoin ecosystem, and the BTC L2 track is in the early stage. Babylon's staking protocol occupies a commanding height with its technical advantages; the circulation market value foundation of Baby tokens combined with large-scale acquisitions by listed companies will accelerate value discovery and price reshaping; by holding the listed company, it can provide traditional capital with a compliant channel to participate in encrypted innovation and enjoy the dividends of compliance.

In the future, relying on Babylon's top technology, strong ecosystem and resource support, as well as the unique model of "listed holding platform + token asset acquisition + staking ecosystem income", ATA Creativity Global is expected to become a core hub connecting traditional capital markets and the cutting-edge Bitcoin ecosystem, seize opportunities during the industry outbreak period, and create rich returns for investors.

About ATA Creativity Global

ATA Creativity Global is an international educational services company focused on providing quality learning experiences that cultivate and enhance students' creativity. ATA Creativity Global offers a wide range of education services consisting primarily of portfolio training, research-based learning services, overseas study counselling and other educational services through its training center network. For more information, please visit ACG's website at www.atai.net.cn.

Cautionary Note Regarding Forward-looking Statements

This press release contains statements that may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terms such as "will," "should," "could," "expect," "anticipate," "aim," "future," "intend," "plan," "believe," "estimate," "forecast," "outlook," "likely to" and similar statements. ACG may also make written or oral forward-looking statements in its periodic reports to the SEC, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about ACG's beliefs, plans and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, further information regarding which is included in the Company's filings with the SEC. For example in this press release, we are using forward-looking statements when we are discussing the entry into the MOU, the potential sale of Common Shares and our intention to cooperate with Babylon and expand the Company's business to web 3.0 field and Bitcoin ecosystem. These forward-looking statements are subject to a number of risks and uncertainties, which could cause the actual results to differ materially from those indicated in these forward-looking statements. There can be no assurance that the definitive share purchase agreement will be entered into, nor that the potential transactions contemplated hereunder will be consummated on the terms set forth in the MOU, nor that the cooperation with Babylon will produce any expected outcome, or at all. For these reasons, among others, investors are cautioned not to place undue reliance upon any forward-looking statements in this press release. All information provided in this press release is as of the date of this press release, and ACG undertakes no duty to update such information to reflect events or circumstances that arise after the date hereof, except as required under applicable law.

For more information on our company, please contact the following individuals:

At the Company	Investor Relations
ATA Creativity Global	The Equity Group Inc.
Ruobai Sima, CFO	Lena Cati, Senior Vice President
+86 10 6518 1133 x 5518	212-836-9611
simaruobai@acgedu.cn	lcati@theequitygroup.com
	Alice Zhang, Associate
	212-836-9610
	azhang@theequitygroup.com

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