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Digital World Acquisition Explores Funding Options for Trump Media Merger

Digital World Acquisition (DWAC.O), the blank-check company poised to merge with Donald Trump's media venture, has disclosed plans to raise to $50 million through the issuance of convertible notes or warrants, according to a recent filing with the U.S. Securities and Exchange Commission (SEC). The move comes as Digital World faces a setback, with its shares experiencing a 9.2% decline to $20.30 on Wednesday.

Exploring Financing Alternatives

In response to challenges securing funds, Digital World revealed in its SEC filing that it is currently engaged in discussions to explore alternative funding options. The company acknowledged the interest expressed by confident potential investors but cautioned that the outcome of these talks remains uncertain.

Potential Convertible Notes or Warrants Offering

As part of its fundraising strategy, Digital World is considering issuing convertible notes or warrants, allowing investors to convert debt into equity or acquire securities at a predetermined price. This approach aims to infuse the necessary capital to facilitate the merger with Trump's media company.

Cancellation of Unfulfilled PIPE Commitments

Digital World also announced its decision to cancel the remaining $530.5 million of the $1 billion private investment in public equity (PIPE) it had raised. The PIPE funding was secured in 2022 but became contingent on the completion of the merger with Trump Media and Technology Group by a September 2022 deadline—the failure to meet this deadline granted PIPE investors the right to cancel their commitments.

Trump Media & Technology Group's Role

The intended merger involves Trump Media & Technology Group, the entity behind the development of Truth Social, a social media platform spearheaded by former U.S. President Donald Trump. Despite the setbacks faced by Digital World, both parties remain committed to the merger, which aims to take Truth Social public through the Special Purpose Acquisition Company (SPAC) route.

Don't be a silent ninja! Let us know your thoughts in the comment section below.