STRATEGIC INSIGHTS

The Case For Bitcoin in Corporate Treasuries

STRIVE

INTRODUCTION

Our goal at Strive is to help companies maximize value for their shareholders. This paper outlines our **case for Bitcoin within corporate treasuries,** which we believe will strengthen corporate balance sheets and increase long-term shareholder value.

- An allocation to Bitcoin is supported by fundamental economic trends, historical performance analysis, and Bitcoin's unique qualities as a financial asset.
- Bitcoin adoption is particularly important for corporations as a risk mitigation strategy, to mitigate the risks of holding cash and bonds, the risks of AI disruption and the risks of being left behind as competitors build their strategic reserves.

Ten years ago, companies that invested in Bitcoin may have been viewed as taking undue risks; today, we believe that **balance-sheet and cash-flow-capable companies that decline to diversify into Bitcoin are taking unnecessary risks,** and that shareholders may ultimately pay the price.

FUNDAMENTAL ANALYSIS

Enduring macroeconomic and geopolitical trends favor corporate allocations to Bitcoin (see our Investment Thesis for Allocating to Bitcoin for the full discussion):

A HEDGE AGAINST AI DIRSUPTION

As AI disrupts entire industries, companies that establish substantial Bitcoin reserves will be best positioned to hedge their business and deploy capital.

GLOBAL DEBT CRISIS & INFLATION

Bitcoin, with its fixed supply of 21M coins, serves as a hedge against inflation and fiat currency devaluation as central banks take on record levels of debt.

GEOPOLITICAL INSTABILITY

Bitcoin has gained legitimacy as an institutional asset, with allocations from endowments, corporations, and governments, and enhanced regulatory clarity and infrastructure (e.g., ETFs, custody solutions).

GROWING ADOPTION

Escalating geopolitical tensions and sanctions have highlighted Bitcoin's role as a borderless, neutral asset, offering liquidity and autonomy in uncertain times.

ASYMETRIC GROWTH POTENTIAL

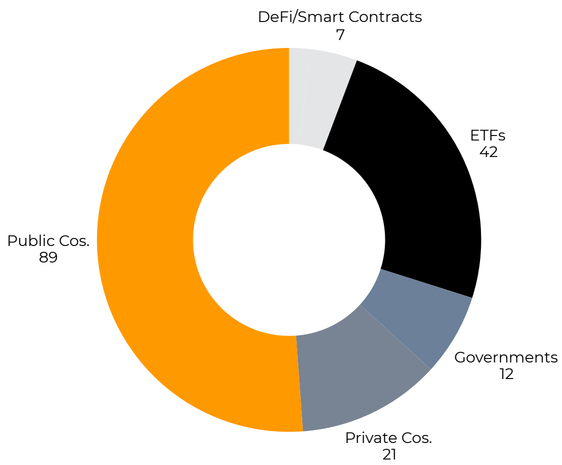
Bitcoin's has historically outperformed other asset classes, and, given its inherent properties, we believe it has significant additional room to run.

AN ATTRACTIVE CORPORATE ASSET

GROWING INSTITUTIONAL ADOPTION

Institutional adoption is growing, which will likely widen the base of investors in Bitcoin, increase liquidity and decrease volatility.

Institutions Holding Bitcoin



Source: Strive; data sources: https://bitcointreasuries.net

- Today, public companies are among the **largest institutional holders** of Bitcoin.
- Private companies, governments, ETFs and other funds also hold substantial quantities of Bitcoin.

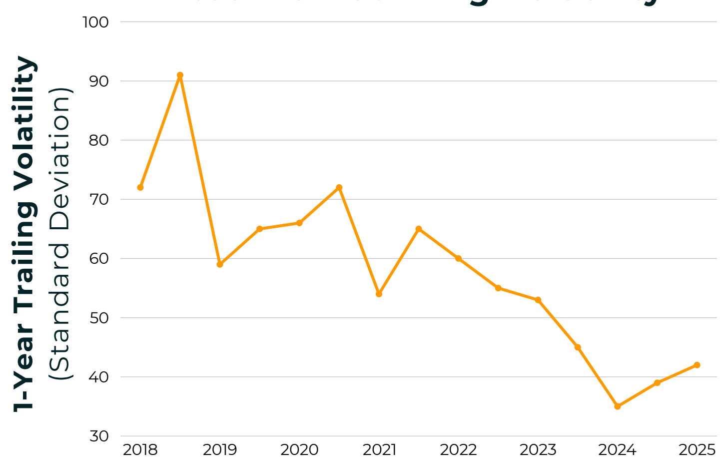
DID YOU KNOW?

If every millionaire in America tried to purchase one single Bitcoin, there wouldn't be enough to go around.

DECREASING VOLATILITY

- As Bitcoin goes mainstream, its price is less likely to experience huge swings.
- Under well-accepted financial principles, a wider investor base typically means **lower volatility**.
- Already, Bitcoin's trajectory appears to bear this out.

Bitcoin's Declining Volatility



Source: Strive; data sources: Bloomberg; https://www.blackrock.com/us/financial-professionals/insights/why-bitcoin

INCREASING INVESTOR SUPPORT

Companies' largest shareholders are increasingly investing in Bitcoin and Bitcoin-related assets on their own balance sheets, suggesting that they no longer view the digital currency as unduly speculative.

83% [1]
Institutional investors that plan to up crypto holdings this year

$480M+ [2]
U.S. pension fund money invested in spot Bitcoin or related assets

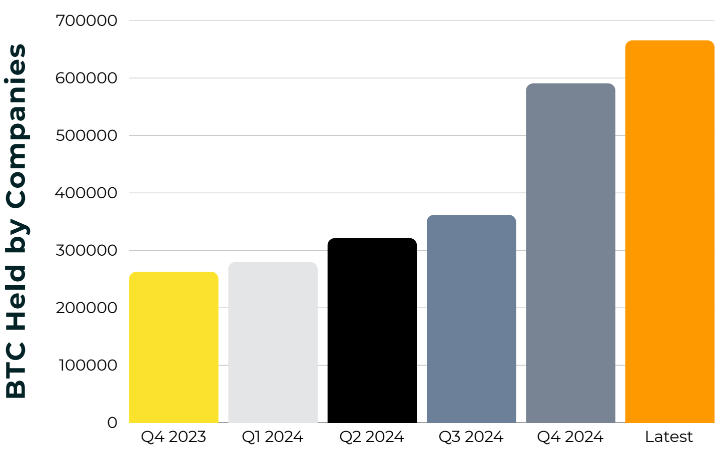
62% [3]
Americans that do not currently own Bitcoin, but would consider buying crypto in future

AN ATTRACTIVE CORPORATE ASSET

GROWING CORPORATE ADOPTION

As institutional, including corporate, adoption grows, companies that fail to adjust their investment strategy to include Bitcoin risk losing out to competitors that do.

Corporate Adoption of Bitcoin Is Accelerating



Source: Strive; data sources: https://bitcointreasuries.net/; https://etc-group.com/blog/crypto-research/why-corporate-bitcoin-adoption-could-skyrocket/.

- **Corporate adoption of Bitcoin doubled** in 2024.
- The trend appears poised to continue, with companies from GameStop to Strategy moving to add Bitcoin to their balance sheets.
- As of early 2025, at least **89 publicly-traded companies** have added Bitcoin to their corporate treasuries.

Multiple Sectors Investing in Bitcoin

DID YOU KNOW?

Three Nasdaq-listed **biotech companies** have recently announced plans to **stockpile Bitcoin** in their corporate treasuries.[4]

TECHNICAL ANALYSIS

Why are more and more companies including Bitcoin in their treasuries?

- Over the past decade, **Bitcoin has been one of the best-performing assets**, with a compound annual growth rate exceeding traditional asset classes.

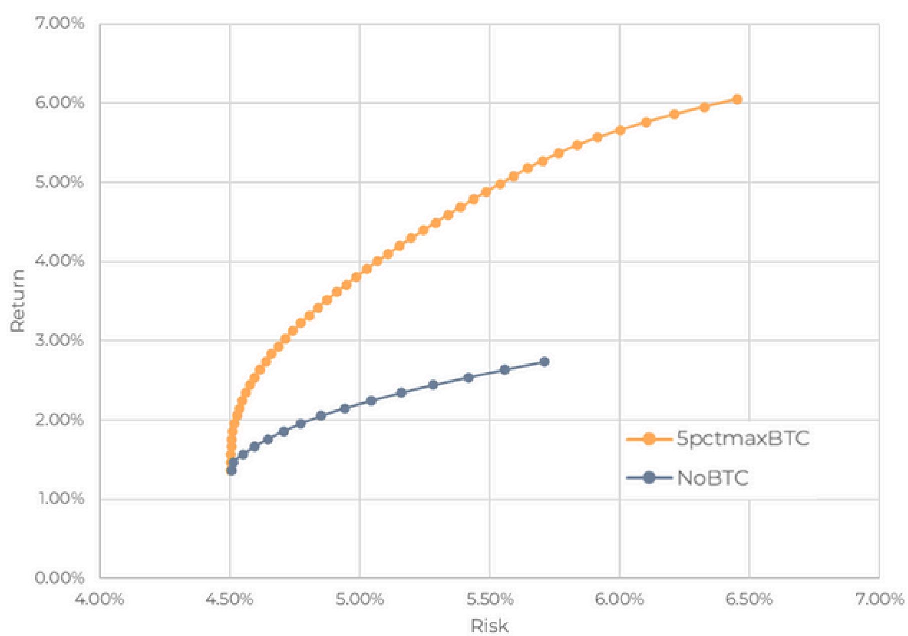
- Bitcoin has exhibited low to moderate correlation with equities and **almost no correlation with bonds.** (See our Bitcoin Primer for the full matrix.)

	Bitcoin	Gold	US Large Cap Equity	US Bonds	US Cash	US Small Cap Equity	US Mid Cap Equity	Real Estate	Hedge Funds	Int'l Equity	Emerging Markets Equity
Bitcoin	1.00	0.14	0.29	0.03	0.01	0.31	0.29	0.21	0.44	0.15	0.13

- This means Bitcoin not only **enhances diversification within a treasury** composed largely of bonds, but **can also cushion companies against downturns** in their own operations and stock.

Incorporating Bitcoin into their treasuries **may allow companies to increase long-term returns while maintaining the same level of risk.**

The graph to the right shows the level of risk vs. returns in a **diversified portfolio of treasuries, corporate bonds, and mortgage-backed securities** without Bitcoin versus with Bitcoin, while only allowing the portfolio to invest up to 5% in the digital asset.



Source: Strive; data source: Bloomberg

DID YOU KNOW?

New rules from the Financial Accounting Standards Board recognize unrealized Bitcoin gains as income, replacing old rules that only recorded the losses when it fell.

THE DECISION MATRIX

FUNDING A BITCOIN RESERVE

- For companies that already hold long-term investments, diversifying those holdings to include Bitcoin is a straightforward process.
- But even companies that do not currently have long-term corporate investments would likely **benefit from creating a Bitcoin war chest**, particularly as AI threatens to disrupt entire industries. Possible funding sources include:

Cash/Bonds: Useful to meet short-term operational expenses, but likely to lose real value over time

Bitcoin: Excess reserves could be invested in Bitcoin to hedge inflation and build war chest

Capital Expenditures: Generally benefit shareholders via long-term investments in company

Bitcoin: May deliver a better return on investment than cap ex with low expected returns

Stock Buyback: Only works in certain market conditions; median buyback generates just 13.1% ROI[5]

Bitcoin: Bitcoin may generate a higher risk-adjusted ROI, particularly if stock is overvalued

Dividends: Creates taxable event for shareholders, may signal lack of confidence in future growth

Bitcoin: No immediate taxable event; demonstrates innovative, forward-looking thinking

Cost Cutting: Companies could cut costs elsewhere, including value-destructive ESG initiatives

Bitcoin: This freed-up cash, plus any additional savings, could then be put towards Bitcoin

THE BOTTOM LINE

When making any investment decision—whether it's constructing a new plant or issuing a dividend or holding cash—companies must consider the **long-term financial impact on shareholders**. If Bitcoin hasn't historically been part of the analysis, it should be now.

RECOMMENDATION

While Strive believes that **most companies would benefit from adding Bitcoin** to their treasuries, not all companies should allocate to Bitcoin to the same degree and for the same purposes. Generally speaking, we believe those companies that are most struggling with their core business, as well as those most exposed to AI risk, should invest most heavily in their Bitcoin reserves.

Struggling Companies

Stagnating companies should consider going all-in on a Bitcoin strategy, using available cash flow and other financing options to maximize their reserves.

High AI Risk

Companies at high risk of AI disruption should invest heavily in Bitcoin both as a hedge and to establish a reserve to strategically deploy in the future.

Medium AI Risk

Companies with medium AI risk should invest moderately in Bitcoin, weighing its expected ROI (including its risk mitigation potential) against other opportunities.

Low AI Risk

Companies with a low risk of AI disruption should allocate at least some capital to Bitcoin to establish a reserve and to diversify their holdings.

CITATIONS

1. https://www.ey.com/en_us/insights/financial-services/growing-enthusiasm-and-adoption-of-digital-assets
2. https://gilroydispatch.com/california-leads-on-bitcoin-strategy/; https://www.afr.com/wealth/investing/pension-funds-dabble-in-crypto-after-massive-bitcoin-rally-20250116-p5l4z4
3. https://www.security.org/digital-security/cryptocurrency-annual-consumer-report/
4. https://www.fiercebiotech.com/biotech/biotechs-go-big-bitcoin-trio-companies-each-plan-stash-1m-reserve.
5. https://fortuna-advisors.com/wp-content/uploads/2023/04/2023-Fortuna-Advisors-Buyback-ROI-Report-1.pdf.

IMPORTANT INFORMATION

There is no guarantee that Bitcoin will continue to perform at historic returns and market risk and loss of principal is possible.

Diversification does not guarantee against a loss.

Investing in Bitcoin involves significant risks due to price volatility and the potential for theft or compromise of private keys. Digital assets represent a fairly new industry, and future regulations and governance is unclear. The price of Bitcoin is tied to overall market sentiment and acceptance.

This investment thesis is based on the assessment of the current market environment as of Q2 2025, and is subject to change.

1) This efficient frontier graph illustrates the optimal mix of investments to achieve the highest potential return for a given level of risk. It demonstrates how balancing a portfolio can maximize growth while minimizing unnecessary risk. Returns are dependent on the investment combinations that make up the portfolio. A security's standard deviation is synonymous with risk. Ideally, an investor seeks to fill a portfolio with securities offering exceptional returns but with a combined standard deviation that is lower than the standard deviations of the individual securities. The data reflects a ten-year period (10/31/2014 – 10/31/2024). Stocks are represented by the B500T, bonds by the Bloomberg Aggregate Index, cash by the Bloomberg Treasury Index, and Bitcoin by the spot price. Note: Returns shown do not account for potential transaction costs, commissions, or expenses, which would lower actual returns.

Prepared by Strive Asset Management, LLC, an SEC Registered Investment Advisor.