

February 24, 2025

Ryan Cohen
Chairman of the Board and Chief Executive Officer
GameStop
625 Westport Parkway
Grapevine, Texas 76051

Via U.S. mail and Strive.com

RE: A Strategic Proposal for GameStop's Transformation into the Premier Gaming Sector Corporation by Adopting the Bitcoin Standard

Dear Mr. Cohen,

My name is Matt Cole, and I serve as Chief Executive Officer of Strive, an asset management firm dedicated to maximizing long-term shareholder value on behalf of our investors. Strive's clients hold shares of GameStop through our exchange-traded funds (ETFs), which gives us both a fiduciary responsibility and a vested interest in your company's future success.

We believe GameStop has an incredible opportunity to transform its financial future by becoming the premier Bitcoin treasury company in the gaming sector. With nearly [\\$5 billion](#) in cash on its balance sheet, the firm is uniquely positioned to shift its reserves from a shrinking asset to a growth engine, propelling GameStop from meme stock to market leader, one Bitcoin at a time.

Over the last two years, GameStop has not only substantially reduced its operating losses but also managed to offset these deficits with interest income from cash holdings generated from equity offerings.¹ These changes have stabilized the company's balance sheet and positioned it for more dynamic strategic moves. Yet GameStop's core challenge remains: brick-and-mortar retail is in [decline](#), as shifting consumer preferences favor [digital](#) downloads of games and content.

We understand your firm is considering purchasing [Bitcoin](#) and other cryptocurrencies to address this challenge. As an asset manager that embraces Bitcoin and the possibilities it holds for companies and investors alike, we are excited by this development. But we also believe execution will be crucial to success and write to share our views on how you can adopt a thoughtful Bitcoin strategy to generate long-term returns for shareholders like our clients. Specifically, we propose the following:

¹ Compare, e.g., GameStop's [Q3 2024](#) results (reflecting \$33 million operating loss and \$54.2 million in interest) with GameStop's [Q3 2022](#) results (reflecting \$93 million operating loss and \$3.7 million in interest).

Make Bitcoin the Hurdle Rate for Capital Deployment

1. Allocate the Maximum Portion of Cash Reserves to Bitcoin

- **Cash has a negative real return:** While the current fed funds rate is set between [4.25%-4.5%](#), the average increase in M2 money supply in the United States since the Great Financial Crisis is approximately [6.5%](#). This means that the purchasing power of your cash position is decreasing year after year, even when invested in short-term treasuries.
- **Inflation hedge:** With its decentralized structure, limited supply, and increasing mainstream adoption, Bitcoin can serve as a true savings asset over the long run and [protect](#) the company against inflationary pressures affecting fiat currencies.
- **Growth:** Ongoing monetary expansion, intensifying institutional demand, and an economy increasingly moving into cyberspace suggest that [demand](#) for Bitcoin is likely to rise. By holding Bitcoin through this worldwide monetary revolution, GameStop can transform its substantial treasury from a slowly shrinking resource into a profit center. The moment is ripe now that new FASB accounting standards recognize unrealized Bitcoin gains as profit.

2. Maintain a Narrow Focus on Bitcoin (Avoid Other Cryptocurrencies)

- **Bitcoin is the only true store of value:** Among digital assets, Bitcoin has uniquely established itself as “sound money” and “[digital gold](#)”—offering scarcity, global recognition, and a track record of resilience. This distinguishes it from other cryptocurrencies, which lack the same fundamental network effects and proven viability. Further, Bitcoin is the only digital asset that has achieved mass institutional adoption ranging from [nation-states](#), [institutional investors](#), to [corporate treasuries](#)—a trend we expect to increase exponentially.
- **Protecting shareholder interests:** Allocating treasury resources to cryptocurrencies beyond Bitcoin risks diluting shareholder value, as speculative alternatives can undermine GameStop’s financial stability and potentially impair your ability to raise future financing, including the Bitcoin financing strategies outlined below in Section 4.
- **Brand clarity:** By committing exclusively to Bitcoin, GameStop strengthens its image as a disciplined, forward-looking enterprise, raising its appeal to institutional investors. This focus reduces unnecessary distractions, ensuring GameStop’s operational and strategic priorities remain clear and compelling to both investors and customers. The firm’s past experiments with NFTs illustrate the pitfalls of investing in speculative cryptocurrency assets. A straightforward investment in Bitcoin is the safest approach in the long run.

3. Further Reduce Your Retail Footprint

- **Close additional stores:** We applaud GameStop's [decision](#) to sell its Canadian and French operations, as well as leaving Germany and other countries uncommitted to protecting shareholder value. Given ongoing declines in brick-and-mortar retail for gaming, we recommend closing or selling *all* stores operating at a loss while retaining a limited number of flagship locations that showcase the brand and offer curated in-person experiences.
- **Focus on online platforms:** Redirect efforts toward expanding your e-commerce infrastructure. Emphasizing digital game sales, collectibles, and gaming-related merchandise can more effectively meet consumer demand and market trends likely to accelerate with AI innovation.
- **Cut costs until operating at a profit:** While your operating loss has declined thanks to effective cost reductions, the hurdle rate for the cash burn of keeping unprofitable stores open should be owning Bitcoin instead. By closing stores and getting to an operating profit without needing to rely on interest income from cash, you'll be able to purchase more Bitcoin.

4. Leverage Capital Markets to Fund Additional Bitcoin Purchases

- **At-the-market (ATM) offerings:** Your stock is uniquely suited to purchasing additional Bitcoin to the benefit of your shareholders given its high trading volume. Continuing to issue new equity through an [ATM](#) program can generate capital quickly under favorable market conditions, enabling continued Bitcoin acquisitions.
- **Convertible debt securities:** Such instruments offer upfront liquidity and can align investor incentives by providing an option to convert debt into equity. This approach can be particularly appealing for a company with a compelling narrative and stock volatility like GameStop on the Bitcoin Standard. Employing convertible debt would allow the firm to receive an additional premium from its stock's volatility, which could be further enhanced by owning Bitcoin. However, the presence of any purely speculative cryptocurrencies on the balance sheet would make accessing this attractive financing more difficult.

5. Reinforce Long-Term Value Creation for Shareholders

- **From "meme stock" to market leader:** By adopting a treasury strategy centered on adopting the Bitcoin Standard where Bitcoin is your hurdle rate for capital deployment in pursuit of your corporate mission, GameStop can move beyond "meme" sentiment, forging a stable foundation to drive sustainable shareholder value.

- **Strategically deploy Bitcoin reserves in the future:** Once GameStop acquires a war chest of Bitcoin, it should look to deploy it in the future for strategic growth initiatives and M&A opportunities in the gaming sector when the long-term expected rate of return exceeds simply holding Bitcoin.

We applaud the leadership your firm has already taken to close many unprofitable stores and publicly [reject DEI](#). We firmly believe that **embracing Bitcoin as your hurdle rate for capital deployment and your core treasury asset**—while focusing on digital channels and consolidating underperforming retail operations—**could position GameStop to become both an industry pioneer and a top-performing investment**. Strive stands ready to support GameStop through this strategic transformation.

Thank you for your time and consideration. I look forward to the opportunity to meet with you to explore how this bold strategy could unlock exceptional long-term value for GameStop and its shareholders.

Sincerely,



Matt Cole
Chief Executive Officer
Strive