BITCOIN TREASURY COMPANIES

INSIDE A REVOLUTIONARY
BUSINESS MODEL

EDITORIAL

The New Giants of Finance Are Already Here

At first glance, what could be more conventional than a publicly traded company? Capital, shareholders, bonds, shares... the instruments seem familiar. However, an unprecedented phenomenon is shaking up the rules of the game: the emergence of Bitcoin Treasury Companies. These companies have a singular, almost obsessive objective: to accumulate as many bitcoins as possible. Their model no longer relies on revenue growth or increasing operating margins, but on the appreciation of a rare, monetary, and stateless digital asset: Bitcoin. Their stock market value depends as much on their ability to buy BTC... as on how they finance this acquisition. This report takes you into a universe at the intersection of traditional finance and the principles of the new digital economy. We discover innovative concepts: Bitcoin Yield, which measures the accumulation of bitcoin per share; the market premium, reflecting investor confidence; and hybrid instruments such as Bitcoin-denominated bonds.

For investors, these companies represent a new asset class: they offer indirect – but sometimes amplified – exposure to Bitcoin, without going through traditional holding or custody channels. For financial markets, they pose a dizzying question: can we build a global giant whose value essentially rests on a digital asset? Strategy (formerly MicroStrategy), Metaplanet, and The Blockchain Group are at the forefront of this movement. Their strategy, governance, financial engineering, and risk-taking deserve to be analyzed with precision.

This report is not just a status update: it's an invitation to understand the drivers of a new monetary capitalism, where Bitcoin is no longer just a speculative asset, but a strategic lever serving a long-term vision. Welcome to the era of Bitcoin Treasury Companies.

GRÉGORY RAYMOND
Head of Research,
The Big Whale

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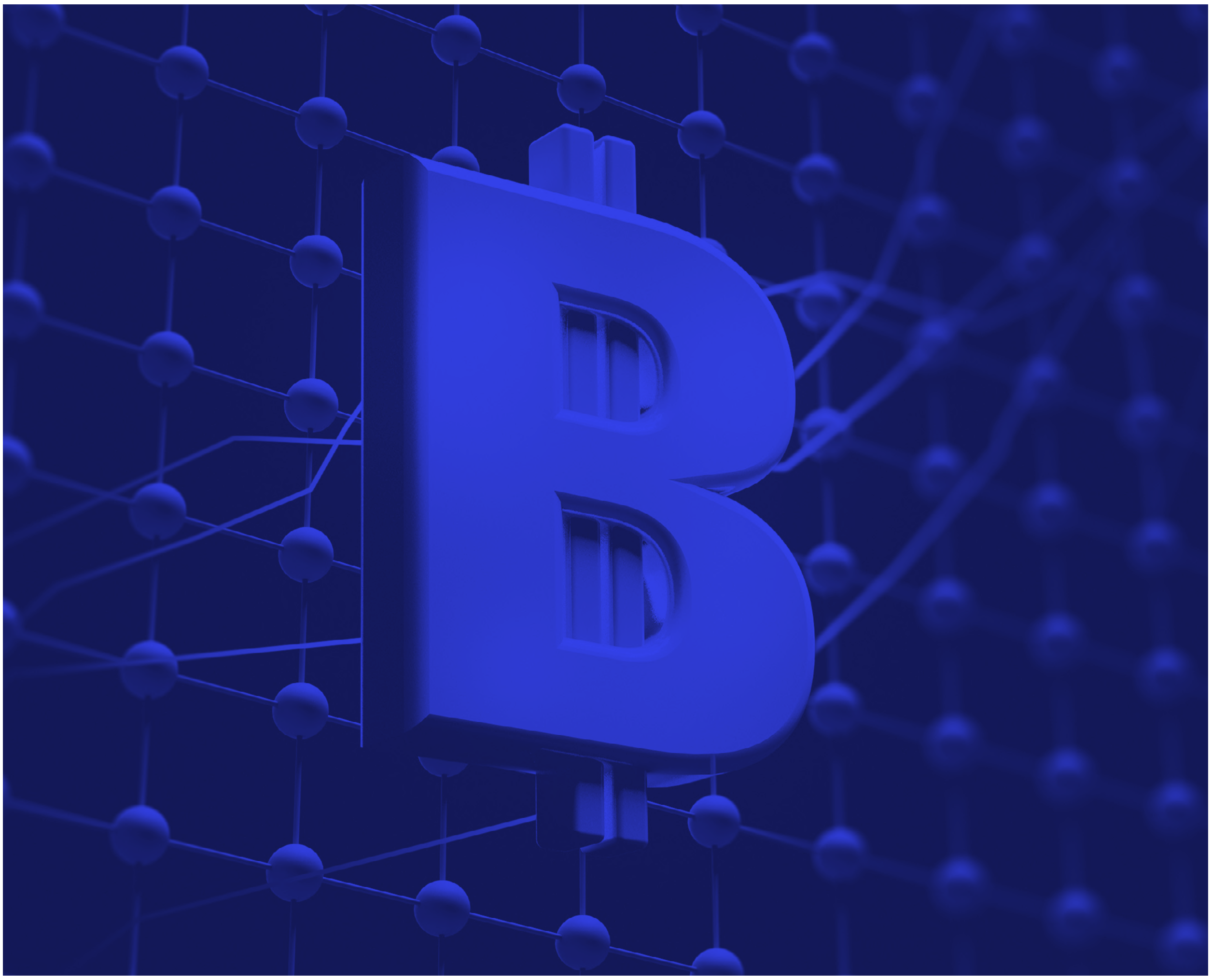
01

Yield

STRATEGY'S FINANCIAL PERFORMANCE VS BITCOIN

STRATEGY'S FINANCIAL PERFORMANCE VS BITCOIN_



SINCE 2020, STRATEGY (FORMERLY MICROSTRATEGY), UNDER MICHAEL SAYLOR'S LEADERSHIP, HAS ADOPTED A BOLD STRATEGY BY INVESTING HEAVILY IN BITCOIN, TRANSFORMING ITS TRADITIONAL BUSINESS MODEL INTO THAT OF A «BITCOIN TREASURY COMPANY». THIS APPROACH HAS HAD A SIGNIFICANT IMPACT ON THE COMPANY'S FINANCIAL PERFORMANCE, WITH A CLOSE CORRELATION BETWEEN ITS STOCK PRICE AND BITCOIN'S VALUE.

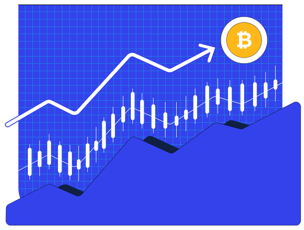
STRATEGY'S FINANCIAL PERFORMANCE VS BITCOIN_

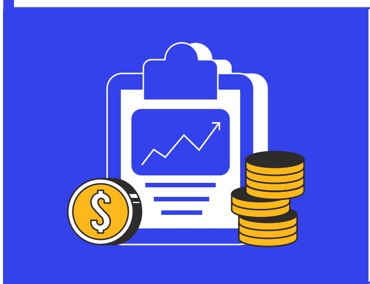
BITCOIN ACQUISITIONS AND FINANCIAL IMPACT

- 2020: First acquisition of **21 454 BTC for 250M$**
- 2021-2025: Continuous Bitcoin accumulation, reaching **528,185 BTC** for a total investment of $35.63B at an average price of $67,458 per bitcoin
- Total Bitcoin value in Q1 2025: **$43B**

MSTR STOCK PERFORMANCE COMPARED TO BITCOIN

- Between 2021 and 2024, MSTR's stock price increased **7.5-fold,** while Bitcoin's value increased **3.2-fold**





FINANCING STRATEGIES

- MicroStrategy primarily raised funds through stock **issuances and convertible bonds**, using the proceeds to acquire more Bitcoin

BITCOIN YIELD (BTC YIELD)

- This concept measures the increase in the number of Bitcoins held per outstanding share. In 2024, MicroStrategy achieved a **BTC Yield of 74%,** reflecting the effectiveness of its accumulation strategy.

REBRANDING

- In February 2025, **MicroStrategy was renamed «Strategy,»** with a new logo incorporating the Bitcoin symbol, emphasizing its commitment to cryptocurrency.

INVESTOR CONSIDERATIONS

- MSTR's stock value is highly correlated with Bitcoin's price, offering indirect exposure to cryptocurrency. However, this strategy carries risks related to cryptocurrency market volatility and potential variations in the price premium of Bitcoin held by the company.

STRATEGY'S FINANCIAL PERFORMANCE VS BITCOIN_

MSTR VS. BTC-USD - PERFORMANCE COMPARISON

02

Glossary

HOW TO CALCULATE THE RETURN ON INVESTMENT OF BITCOIN TREASURY COMPANIES?

HOW TO CALCULATE THE RETURN ON INVESTMENT OF BITCOIN TREASURY COMPANIES?_

CONTRARY TO WHAT ONE MIGHT THINK, THE PERFORMANCE OF BITCOIN TREASURY COMPANIES DOESN'T SOLELY DEPEND ON BITCOIN'S PRICE. THIS IS THE CENTRAL FINDING OF A TECHNICAL NOTE BY ASSET MANAGEMENT FIRM TOBAM (MARCH 2025), WHICH OFFERS A DETAILED — AND UNPRECEDENTED — ANALYSIS OF MICROSTRATEGY'S STOCK MARKET PERFORMANCE BETWEEN 2021 AND 2024.

1_BITCOIN YIELD: THE FINANCIAL FUEL

The first source of performance, and perhaps the most counterintuitive, is called Bitcoin Yield. It's the company's ability to increase the number of bitcoins held per share over time. How? By issuing new shares at a price higher than the value of its Bitcoin holdings (thanks to market confidence), then using the raised capital to buy even more bitcoins. As long as this mechanism is well-calibrated, it generates a form of mechanical return for shareholders. This is the core of MicroStrategy's model. **In 2024, this factor alone contributed to more than 60% of the stock's performance. Conversely, in 2023, an overly dilutive issuance produced a negative Bitcoin Yield, which slowed down the stock's rise.**

2_AMPLIFIED BITCOIN EXPOSURE

The second source is more direct: **Bitcoin's performance itself.** But here too, the «magic» happens. Thanks to its positive Bitcoin Yield, MicroStrategy increases its effective Bitcoin exposure. In other words, it replicates — and sometimes exceeds — the performance of the digital asset without leverage or borrowing. For example, in 2024, while Bitcoin's share in its market cap was only 75% at the start of the year, **Bitcoin Yield enabled it to reach an actual exposure of 120%.** An elegant way to accelerate on the highway without taking on more structural risk.

3_ MARKET PREMIUM: WHAT INVESTORS ARE WILLING TO PAY EXTRA

The third and final performance lever: **the price premium per Bitcoin.** It's the difference between MicroStrategy's market value and that of its bitcoin reserves. It reflects market confidence, speculation, and the perceived scarcity of indirect Bitcoin access through a listed stock. When it widens — as was the case in 2023 and 2024 — this premium acts as a performance multiplier, adding to Bitcoin's own performance. In some cases, it has contributed as much as, if not more than, Bitcoin to the stock's performance.

4_A MODEL FOR BULLISH INVESTORS

This triple dynamic — **Bitcoin Yield + Amplified Exposure + Market Premium** — makes Bitcoin Treasury Companies a distinct asset class. TOBAM draws a clear investment thesis: these companies can offer structural, debt-free leverage on Bitcoin, provided they control their dilution and maintain market confidence. MicroStrategy has paved the way. The question remains whether others will dare to follow.

[Source]

03
Interview

ALEXANDRE LAIZET
THE BLOCKCHAIN GROUP

« BITCOIN TREASURY COMPANIES WILL BE TOMORROW'S FINANCIAL GIANTS »

ALEXANDRE LAIZET
THE BLOCKCHAIN GROUP_

AS HEAD OF THE BITCOIN ACCUMULATION STRATEGY AT FRENCH COMPANY THE BLOCKCHAIN GROUP, ALEXANDRE LAIZET DETAILS HIS AMBITION.

« Bitcoin Treasury Companies Will Be Tomorrow's Financial Giants »

WHAT ARE THE MAIN INSTRUMENTS AVAILABLE TO BITCOIN TREASURY COMPANIES FOR RAISING FUNDS AND BUYING BITCOIN?

The main instruments are share issuance and convertible debt. There are also variants such as preferred shares, which sit between stocks and bonds: they allow for fundraising without granting voting rights, while offering the equivalent of a dividend. However, this remains a secondary option compared to traditional instruments. Equity is divided into two main categories: private placement, reserved for certain categories of investors, and public offering, open to all. There are also mechanisms like share purchase rights, similar to an airdrop where beneficiaries can buy shares at a predetermined price. In the United States, another popular mechanism is «At The Market» (ATM), which allows a company to sell its shares directly on the market and use the collected funds to buy Bitcoin.

CAN YOU EXPLAIN HOW ATM WORKS AND WHY IT'S SO WIDELY USED BY MICROSTRATEGY?

ATM allows a company to sell its shares directly on the market, collecting funds that it can reinvest, for example, in Bitcoin. This mechanism is particularly advantageous for MicroStrategy, which uses these share sales to transform a market cap premium into Bitcoin net asset value. This helps reduce the gap between the value of held Bitcoins and the company's valuation.

The impact of this strategy is twofold: on one hand, it strengthens Bitcoin accumulation capacity without resorting to traditional debt, and on the other, it enables raising more convertible debt as the underlying value increases in terms of Bitcoin quantity on the balance sheet. However, other companies like Metaplanet in Japan or The Blockchain Group in Europe don't have this capability and must use other financial levers to manage their premium.

ALEXANDRE LAIZET
THE BLOCKCHAIN GROUP_

HOW DOES CONVERTIBLE DEBT WORK AND WHY IS IT STRATEGIC?

Convertible debt is a loan that can be repaid by issuing shares rather than paying cash. This allows buying Bitcoin with raised funds while offering investors the option to convert their debt into shares if certain conditions are met. MicroStrategy has been using this for several years, betting on Bitcoin appreciation to ensure this strategy remains beneficial. A recent innovation by The Blockchain Group has been to allow subscription to this debt directly in Bitcoin, which is a world first for a Bitcoin Treasury Company. Moreover, this debt is denominated in Bitcoin, meaning that in case of non-conversion at maturity, the repayment obligation is equivalent to the held assets. The investor thus takes on the Bitcoin risk, not the company itself.

WHY WOULD AN INVESTOR ACCEPT DEBT DENOMINATED IN BITCOIN RATHER THAN EUROS?

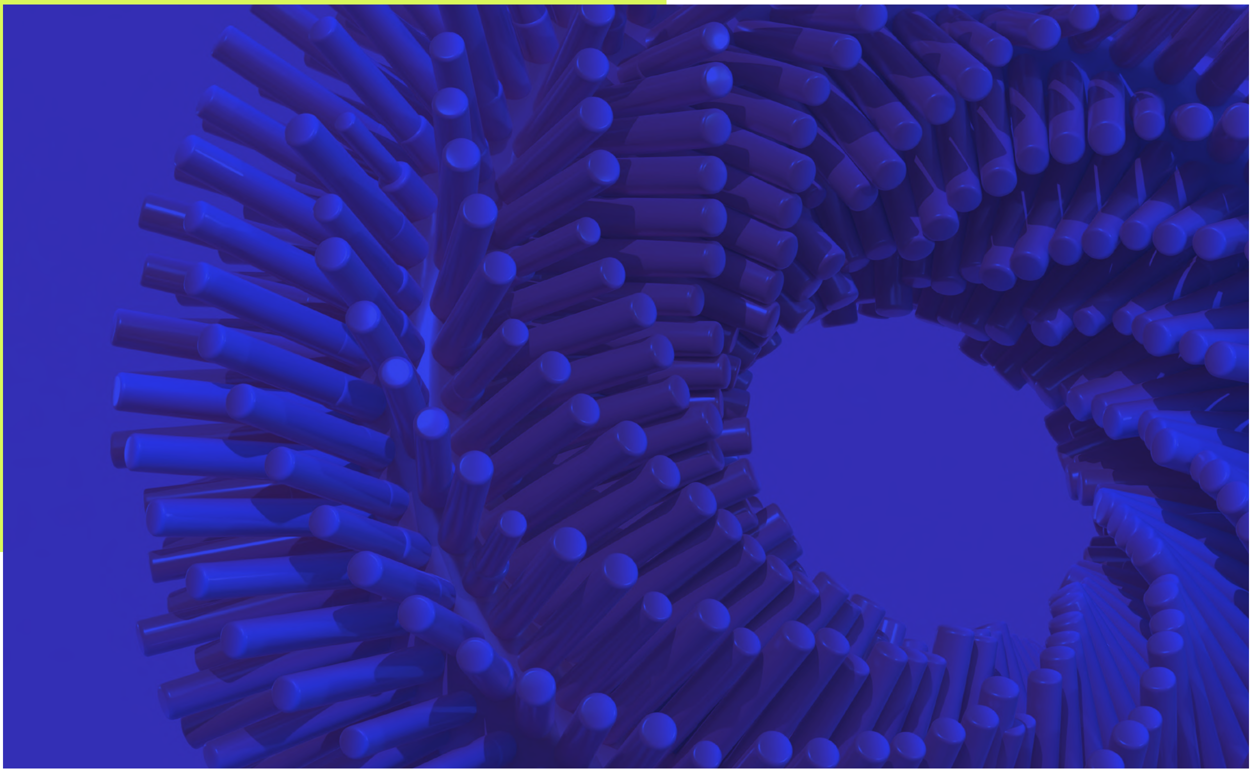
Investors who subscribe to this type of operation are generally actors convinced by Bitcoin and its upward trajectory. They believe it's more logical to be exposed to Bitcoin over a five-year period rather than maintain euro risk exposure. Among investors who participated in The Blockchain Group's fundraising are notably Fulgur Ventures, UTXO Management, Adam Back, Ludovic Chechin-Laurans, and Tobam, recognized players in the ecosystem. This type of investment mainly attracts those who believe in Bitcoin as a global store of value. By structuring debt denominated in Bitcoin, the company attracts investors aligned with its vision and avoids exposure to monetary devaluation risk that euro or dollar-denominated debt represents for the investor.

> **« The Blockchain Group stands out for its innovative approach to Bitcoin-denominated convertible debt »**

HOW DO MICROSTRATEGY, METAPLANET, AND THE BLOCKCHAIN GROUP DIFFER FROM EACH OTHER?

MicroStrategy is the pioneer of the Bitcoin Treasury Company model and holds a dominant position thanks to its privileged access to U.S. financial markets. Its use of mechanisms like ATM and convertible debt allows it to accumulate Bitcoin aggressively while benefiting from strong liquidity. This strategy has enabled it to establish strong outperformance of its stock compared to Bitcoin, thus attracting leading institutional investors. Metaplanet, based in Japan, and The Blockchain Group, in Europe, adopt strategies adapted to their respective regulatory contexts and markets. Metaplanet was the world's best-performing stock in 2024, particularly with share purchase rights programs that were highly successful with the Japanese retail market and international investors. The Blockchain Group stands out for its innovative approach to Bitcoin-denominated convertible debt which has allowed us to reach the global top 30 in a few months and achieve performance superior to our peers over the period.

ALEXANDRE LAIZET
THE BLOCKCHAIN GROUP_



WHAT IS YOUR VISION BEYOND INCREASING THE NUMBER OF BITCOINS PER SHARE?

Our vision extends far beyond simple Bitcoin accumulation. We want to make The Blockchain Group a central player in digital financial markets, integrating Bitcoin into a new financial architecture. With the rise of tokenized assets and market digitization, we believe Bitcoin will play a key role in reorganizing global financial instruments.

WHAT ROLE WILL BITCOIN TREASURY COMPANIES PLAY IN A TOKENIZED FINANCIAL MARKET INTERACTING WITH BITCOIN?

Their role will be major. We're already seeing initial initiatives, such as North American miner Marathon, which is beginning to lend its Bitcoin. Today, this is still a risky practice, as the market isn't yet sufficiently mature. Eventually, financial institutions will offer more sophisticated and secure products, but risk will always exist. Currently, our priority is capital raising and Bitcoin accumulation. What many underestimate is the impact of corporate adoption. Take MicroStrategy's example: if its capitalization reaches 100 billion today and Bitcoin rises to 1 million dollars, which remains plausible compared to gold's capitalization, then the company could exceed 1,000 billion. And if we factor in future accumulations, over 5 or 10 years, we could see a company emerge worth up to 10 trillion dollars. A company of this scale would have almost unlimited capacity for action, including through share issuance to acquire other companies.

ALEXANDRE LAIZET
THE BLOCKCHAIN GROUP_

WHAT IMPACT COULD THIS EVOLUTION HAVE ON BITCOIN ADOPTION AND FINANCE IN GENERAL?

If, in the next 5 to 10 years, institutional and corporate adoption exceeds 10 to 20%, then Bitcoin could experience massive adoption, similar to that of the Internet. In this scenario, Bitcoin's price growth could slow from 60% per year to 30%, or even 20%. But this won't hinder the development of Bitcoin Treasury Companies. Quite the contrary, they could become the world's most capitalized companies. And when a company reaches such a size, it can pivot and adapt easily to market developments. It's a doubly effective strategy: in the short term, it enables strong recapitalization, and in the long term, it ensures an optimal position to adapt to tomorrow's world.

« The model is based on strict principles: accumulating Bitcoin without selling it and minimizing risks »

WHAT IMPACT DO THE U.S. ELECTION AND TRUMP'S POLICY HAVE ON YOUR STRATEGY?

U.S. government decisions are closely monitored by all institutional and private actors. The announcement of the Bitcoin Strategic Reserve in the United States is a strong signal that reinforces confidence in Bitcoin's future. We also notice that institutions adopting this strategy focus solely on Bitcoin and not on other digital assets. This state accumulation movement could be the beginning of a global trend, with other governments following the same path.

The Czech Republic and other countries have already expressed interest. This dynamic reinforces the relevance of Bitcoin Treasury Companies, which position themselves as key players in a world where Bitcoin becomes a reference asset.

HOW DO YOU PREPARE FOR BEARISH MARKET CYCLES?

A prolonged bear market is a risk, but it also represents an opportunity. A company focused on Bitcoin accumulation can use low price periods to increase its Bitcoin per share, which maximizes gains during recovery phases. A Bitcoin Treasury Company's valuation isn't solely based on the number of Bitcoins held, but also on its growth and accumulation capacity. To mitigate risks, The Blockchain Group has structured its convertible debt over five years, with a flexible two-year conversion period at the end at our discretion, in addition to the possible conversion throughout the duration for the investor. This avoids being forced to raise funds urgently during a bear market. Indeed, the model is based on strict principles: accumulating Bitcoin without selling it and minimizing risks.

ALEXANDRE LAIZET
THE BLOCKCHAIN GROUP_

WHAT IS THE BIGGEST RISK FOR YOU AND FOR THE BITCOIN TREASURY COMPANIES MARKET?

The main risk would be a prolonged Bitcoin collapse over a five-year period. If Bitcoin were to lose a large part of its value without ever recovering, it would call into question the entire business model. However, Bitcoin's history shows that it has always experienced growth cycles after its correction phases. Another risk is related to large companies in the sector, particularly the security of Bitcoin custody by major players like Coinbase and Fidelity, who are extremely recognized actors today and consequently manage most of the Bitcoin for U.S. ETFs and MicroStrategy. However, as Bitcoin adoption increases, the market becomes less dependent on a few actors, and differentiation between Bitcoin Treasury Companies will be based on their ability to grow and generate revenue while managing their risks.

HOW DO YOU ANTICIPATE RISKS RELATED TO RISING SHAREHOLDERS WHO COULD INTERVENE IN YOUR POLICY?

We have structured our fundraising to solidify our shareholder base. Before this operation, the float represented about 80% of the capital. With the potential conversion of bonds into shares, this portion could be reduced to 40-60%, depending on Bitcoin's price and investors who will enter the capital. This consolidation makes any hostile takeover attempt more difficult. Moreover, our strategic investors are aligned with our long-term vision on Bitcoin, like Adam Back (Blockstream) or Yves Choueifaty (Tobam). These are deeply engaged actors in the ecosystem who share our accumulation strategy. By structuring our shareholding this way, we reduce the risk of seeing an external actor trying to modify our trajectory or deviate from our strategy.

IS THERE ROOM FOR MULTIPLE BITCOIN TREASURY COMPANIES IN EUROPE?

It's in our interest to be the first Bitcoin Treasury Company in Europe, but the emergence of new players is also in our interest as it contributes to Bitcoin adoption and strengthens the entire market. That being said, successfully launching a Bitcoin Treasury Company requires a deep understanding of Bitcoin, expertise in financial engineering, and a solid network of investors aligned with this vision. The barriers to entry are therefore high, which explains why we've seen MicroStrategy emerge in the United States, Metaplanet in Japan, and The Blockchain Group in Europe. Each player must find a balance between Bitcoin accumulation, risk management, and capital structuring to maximize the growth of Bitcoin per share while protecting their model against short-term market fluctuations.

04

Analysis

OVERVIEW OF FINANCIAL TOOLS AVAILABLE TO BITCOIN TREASURY COMPANIES

OVERVIEW OF FINANCIAL TOOLS AVAILABLE TO BITCOIN TREASURY COMPANIES_

FINANCING TOOLS FOR BITCOIN TREASURY COMPANIES

INSTRUMENT TYPE	INTEREST RATE	REPAYMENT / RETURN	COLLATERAL / GUARANTEES	MAIN ADVANTAGE	MAIN RISK
SIMPLE BOND	High	Cash	None	Straightforward, fast execution	High cost in high-rate environments
SECURED BOND	Moderate to low	Cash	Fiat / Crypto / Equity	Better access to funding, lower rates	Asset lockup, liquidation risk
CONVERTIBLE BOND	Low to zero	Cash or equity	None	Preserves cash, less dilutive	Potential dilution, reliant on stock price
BITCOIN-DENOMINATED CONVERTIBLE BOND	Low to zero	BTC or equity	None	Direct BTC, accumulation, shifts FX risk to investor	Investior bears BTC volatility risk
COLLATE-RALIZED LOAN	Moderate to high	Cash	Bitcoin (LTV ~25%)	No equity dilution, good if BTC appreciates	High collateral requirements, short-term risk
EQUITY OFFERING (PUBLIC/ PRIVATE)	None	Equity	None	No debt incurred, direct capital injection	Immediate dilution, short-term market pressure
AT-THE-MARKET (ATM) SALES	None	Equity (incremental)	None	Flexible, responds to market demand	Persistent sell pressure, potential undervaluation
PREFERRED STOCK- STRK	8% annual dividend (in cash or MSTR)	Convertible to MSTR (>1000$) or $100 liquidation value	Priority over MSTR in liquidation	Hybrid product with yield and delayed dilution	Increased leverage, structural complexity
PREFERRED STOCK- STRF	10% annual dividend (cash only)	$100 liquidation value	Priority over STRK in liquidation	Hybrid, attracts risk-averse institutional investors	Cash flow burden (dividends), liquidity fragmentation

OVERVIEW OF FINANCIAL TOOLS AVAILABLE TO BITCOIN TREASURY COMPANIES_

WHAT FINANCIAL MECHANISMS ALLOW BITCOIN TREASURY COMPANIES TO SUPPORT THEIR ACCUMULATION FRENZY? FROM CONVERTIBLE DEBT TO PREFERRED STOCK, A COMPREHENSIVE LOOK AT THE INSTRUMENTS AT THEIR DISPOSAL.

BONDS: THE PREFERRED TOOL FOR FINANCING BITCOIN ACCUMULATION

With the growing appetite of Bitcoin-exposed companies for flexible funding sources, bonds are emerging as the instrument of choice. Whether simple, secured, or convertible, these securities allow for raising substantial capital - often from institutional investors - while offering companies valuable strategic freedom. For investors, the advantages are numerous: appreciable liquidity through secondary markets, more measured risk-taking compared to equity investment, and great flexibility in contract structuring - interest rates, guarantees, maturities.

→ Simple bonds: A tactical but costly lever

Often considered ill-suited for long-term ambitions, traditional corporate bonds, or «simple bonds,» haven't said their last word. These classic securities, redeemable in cash at maturity, maintain strategic utility in Bitcoin Treasury Companies' arsenal, despite a high interest rate environment that increases their cost. Though rarely used to finance massive bitcoin accumulation, they find their place in targeted operations. Some companies use them as a tactical lever: testing investor appetite, covering immediate cash needs, or buying time while waiting for more favorable market conditions - lower rates, higher stock valuations. It's a pragmatic way to prepare the ground before a more ambitious raise, through convertible bonds for example, which are often less dilutive.

→ Secured bonds: The balance between trust and control

Halfway between traditional bonds and collateralized loans, secured bonds are increasingly attractive to crypto-friendly companies seeking optimized financing conditions. By backing these securities with assets - whether financial or digital - issuers manage to reassure investors, obtain lower rates, and sometimes extend debt maturity. For creditors, the framework is reassuring: in case of default, the assets placed as collateral can be seized, limiting the risk of loss. This security justifies more moderate returns. Another advantage: the liquidity of these securities, which are tradeable on secondary markets. But this protection comes at a cost. The assets mobilized as collateral are frozen for the duration of the bond, exposing the issuer to liquidation risk in case of hardship. To compensate, some secured bonds include a repayment priority clause: in case of bankruptcy, their holders are first in line. A compelling argument for the most cautious investors.

OVERVIEW OF FINANCIAL TOOLS AVAILABLE TO BITCOIN TREASURY COMPANIES_

→ Convertible bonds: The favorite weapon of pro-Bitcoin companies

A true Swiss Army knife of financing, convertible bonds - or convertible notes - have become the preferred tool for companies betting on Bitcoin as a strategic lever. Straddling debt and equity, these hybrid securities offer a dual advantage: cash repayment or conversion to shares at maturity, depending on what proves most advantageous for the investor. The mechanism is simple: a conversion price is set at issuance. If the share price exceeds this threshold, the investor can swap their debt for shares at a reduced price and realize potential capital gains. In exchange for this option, interest rates are often negligible, making the operation inexpensive for the company. Another major advantage: in case of conversion, no cash is disbursed, which helps preserve treasury - a crucial advantage for maximizing Bitcoin exposure while maintaining financial flexibility. But the tool has its limits. If the raised funds don't generate better BTC yield - meaning an increase in bitcoins per share - the strategy can lose credibility. In an ecosystem as volatile as Bitcoin's, market confidence remains as essential as it is fragile.

→ The Blockchain Group introduces Bitcoin-denominated bonds

It's a world first in the universe of listed companies: The Blockchain Group has raised nearly 48.6 million euros through an issuance of convertible bonds... predominantly denominated in Bitcoin. Rather than borrowing in euros to buy BTC, the European group made the radical choice to borrow the digital asset directly. At maturity, the company can either return the borrowed bitcoins or convert the debt into shares at a unit price of €0.544. This unprecedented structure disrupts traditional financing codes. By eliminating any fiat-crypto conversion, it facilitates direct BTC accumulation while redistributing risks: in case of a Bitcoin price drop, it's the investor - not the issuer - who absorbs most of the volatility. If the BTC price remains low at maturity, The Blockchain Group can simply return the same borrowed bitcoins, without having to liquidate other assets as would have been the case with a traditional bond. A bold innovation that could set a trend, at a time when Bitcoin's institutionalization is pushing companies to invent new financing tools.

FINANCING TOOLS FOR BITCOIN TREASURY COMPANIES

COMPANIES	SIMPLE BONDS	SECURISED BONDS	CONVERTIBLES BONDS	BITCOIN DENOMINATED CONVERTIBLE BONDS	COUNTRY OF ORIGIN
STRATEGY (EX MICROSTRATEGY)	/	/	$10 billion	/	US
METAPLANET	$127 millions	$18 millions	/	/	Japan
THE BLOCKCHAIN GROUP	/	/	/	$47 millions	France

OVERVIEW OF FINANCIAL TOOLS AVAILABLE TO BITCOIN TREASURY COMPANIES_

FINANCING BITCOIN STRATEGY THROUGH SHARE SALES: A DOUBLE-EDGED SWORD

To avoid taking on debt, many Bitcoin Treasury Companies opt for a direct route: issuing new shares. A straightforward strategy, free from interest payments and maturity dates, which allows them to avoid the constraints of convertible bonds and the uncertainty of future conversion. But this solution comes at a cost: immediate dilution of existing shareholders. Unlike convertibles, which delay the transformation of debt into equity, a capital increase immediately impacts the shareholding structure. This creates an imperative: the generated BTC yield — the return linked to bitcoin holdings per share — must exceed what an investor could obtain by simply holding BTC. Otherwise, shareholders suffer a double loss: a relative decrease in their ownership and potential opportunity cost. Several mechanisms exist to structure these types of operations, but they all rest on the same requirement: proving that Bitcoin accumulation truly creates value.

→ Share Sale Offerings

In this case, the company issues new shares that it sells in a block, either through a public offering or through a private placement targeting institutional investors. These operations, often conducted in response to an immediate need for liquidity, have the disadvantage of introducing sudden dilution for existing shareholders, as well as increased selling pressure on the stock in the short term.

→ At-the-market Sales: A Flexible but Potentially Dilutive Financing Tool

Popular in the United States, at-the-market (or ATM) sales constitute a progressive financing mechanism for listed companies. The principle is simple: rather than raising funds all at once, the company issues new shares gradually, based on market conditions, through partner brokers. This approach offers several advantages. It is less disruptive to the market than a traditional fundraising, which is often perceived as dilutive. By spreading out the issuances over time, the company avoids a sudden drop in its stock price. But this relative discretion has a downside: it maintains latent selling pressure, which may discourage certain institutional or retail investors who are put off by the lack of visibility. The strategic value of ATM sales is particularly notable during periods of market euphoria. When the stock price soars well beyond the company's intrinsic value – a common phenomenon for companies holding large amounts of bitcoin – these sales help correct the trajectory. By gradually injecting new shares into the market, the company mechanically reduces its premium while strengthening its treasury, often with the aim of further increasing its BTC reserves.

OVERVIEW OF FINANCIAL TOOLS AVAILABLE TO BITCOIN TREASURY COMPANIES_

Outside the United States, this type of flexibility remains more limited. In Europe and Asia, companies must turn to other instruments – stock options, warrants (BSA), or share purchase rights. Less agile than ATM sales, these tools nevertheless allow for structured, staggered fundraising through issuance rights that can be activated during defined periods.

→ Preferred Stocks: with STRK and STRF, Strategy Refines its Bitcoin Financing Strategy

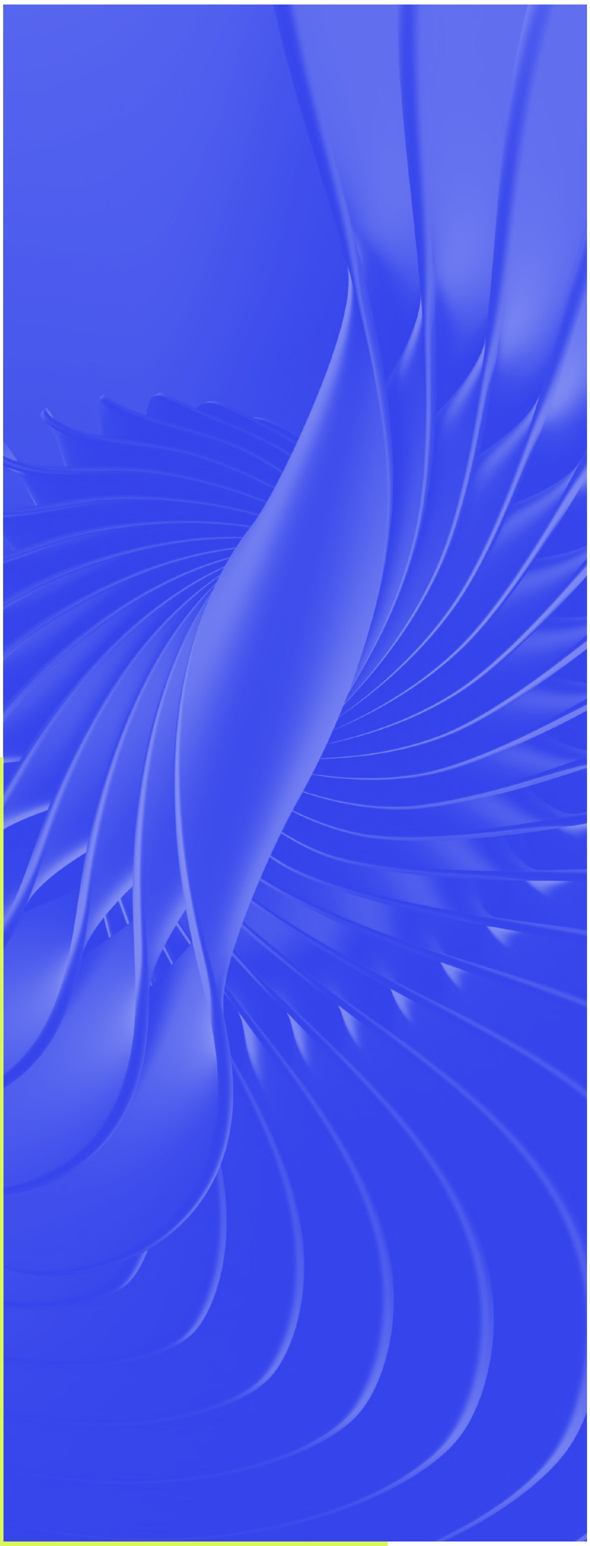
A new innovation at Strategy: to continue accumulating bitcoin massively without immediately diluting its shareholders, Michael Saylor's company is now betting on a hybrid instrument — preferred shares. Two securities have emerged: STRK, launched in 2024, and STRF, announced in March 2025. Their objective? To attract a more institutional and risk-averse investor base. Unlike traditional MSTR shares, STRK and STRF don't carry voting rights but offer fixed yields and contractual guarantees. STRK promises an 8% annual dividend, paid quarterly in cash or MSTR shares, cumulative if unpaid.

This security is convertible into 10 MSTR shares if the price exceeds $1,000, and guarantees a $100 redemption in case of liquidation, positioning it halfway between a share and a convertible bond. STRF takes the concept further: 10% yield, cash-only payments, higher redemption ranking than STRK… but with no conversion option. It's a pure yield product, without direct exposure to equity. This financial engineering allows Strategy to raise up to $21 billion through ATM (at-the-market) sales of STRK, while limiting dilutive pressure as long as MSTR's price doesn't exceed $1,000. A strategy designed to reassure cautious investors while continuing BTC accumulation. But this sophistication has its drawbacks: multiplication of instruments, increasingly complex capital structure, fixed treasury commitments… Strategy is charting its own course, far from traditional standards, embracing a financial architecture tailored to Michael Saylor's Bitcoin bet.

FINANCING TOOLS FOR BITCOIN TREASURY COMPANIES

COMPANIES	COMMON STOCKS	PREFERRED STOCK	COUNTRY OF ORIGIN
STRATEGY (EX MICROSTRATEGY)	$2,03 billion	$584 millions	US
METAPLANET	$274 millions	/	Japan
THE BLOCKCHAIN GROUP	$3,7 millions	/	France

OVERVIEW OF FINANCIAL TOOLS AVAILABLE TO BITCOIN TREASURY COMPANIES_



COLLATERALIZED LOANS: A TOOL POORLY SUITED FOR LONG-TERM STRATEGY

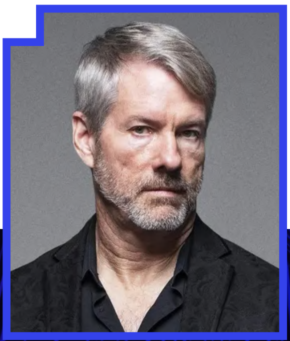
→ Collateralized lending, a risky leverage tool for Bitcoin Treasury Companies

Often associated with the DeFi universe, collateralized lending appears, on paper, to be a natural tool for financing bitcoin accumulation. In reality, it remains marginal in Bitcoin Treasury Companies' strategies. The principle is crystal clear: obtain liquidity by putting up BTC as collateral with a bank or specialized entity. Michael Saylor experimented with this in 2022, taking out a $205 million loan from Silvergate Bank, backed by approximately $820 million in bitcoin. The operation, at a 3.75% rate, offered quick access to funds without diluting capital – a strategic choice to preserve shareholder value. If Bitcoin's price had risen, the maneuver could have proved extremely lucrative. But timing worked against Strategy: the market entered a bear market, highlighting the vulnerability of the structure. The very conservative loan-to-value ratio — only 25% — forced the company to lock up a large portion of its reserves. After FTX's collapse in late 2022, they had to inject even more BTC to meet a margin call. Lesson learned: while collateralized lending avoids dilution, it requires high collateral, exposure to liquidation risk, and tight cash management — all constraints that are difficult to reconcile with a long-term wealth strategy. A financing tool to be handled with caution, which few Bitcoin Treasuries are currently ready to integrate sustainably.

05

Risks

STRATEGY: MICHAEL SAYLOR'S DARK SCENARIO



STRATEGY: MICHAEL SAYLOR'S DARK SCENARIO_

BY BETTING EVERYTHING ON BITCOIN, MICHAEL SAYLOR HAS TRANSFORMED STRATEGY INTO A ONE-OF-A-KIND COMPANY. BUT AS FINANCIAL DEADLINES PILE UP, HIS STRATEGY WILL FACE ITS FIRST REAL RESILIENCE TEST BY 2028.

Long praised for its boldness and consistency, Michael Saylor's strategy – CEO and founder of MicroStrategy, now «Strategy» – is raising growing doubts today. In just five months, between November 2024 and March 2025, the company more than doubled its Bitcoin holdings, going from 252,220 to 528,185 BTC. These massive acquisitions, at a total estimated cost of $35.6 billion, were made at an average price of $67,458 per unit. This timing is concerning as the Bitcoin market was already showing signs of fatigue in the first quarter of 2024. For the first time since the beginning of his bet in 2020, Saylor's strategy appears exposed to systemic risk. For two years, Strategy has claimed to no longer use loans backed by its Bitcoin stock. Now, its acquisitions are exclusively financed through stock market share issuance – Class A common shares – or through the creation of convertible bonds. This choice helps avoid the margin calls that threatened the company during the downturns in 2022. But it's no less risky.

THE COMPANY MUST FACE AN ESPECIALLY HEAVY SCHEDULE OF DEADLINES STARTING IN 2028

The convertible bonds issued by Strategy must in principle be repaid five years after their issuance, either in cash or in MSTR shares, depending on the creditors' choice. The entire mechanism relies on a simple hypothesis: that Bitcoin will continue its bull cycles every four years, pulling the MSTR share price along with it. If this happens, creditors will choose conversion to shares, limiting cash outflows. But if this cycle were to break, and Bitcoin entered a long bearish phase, creditors might prefer cash repayment, putting Strategy under sudden liquidity pressure.

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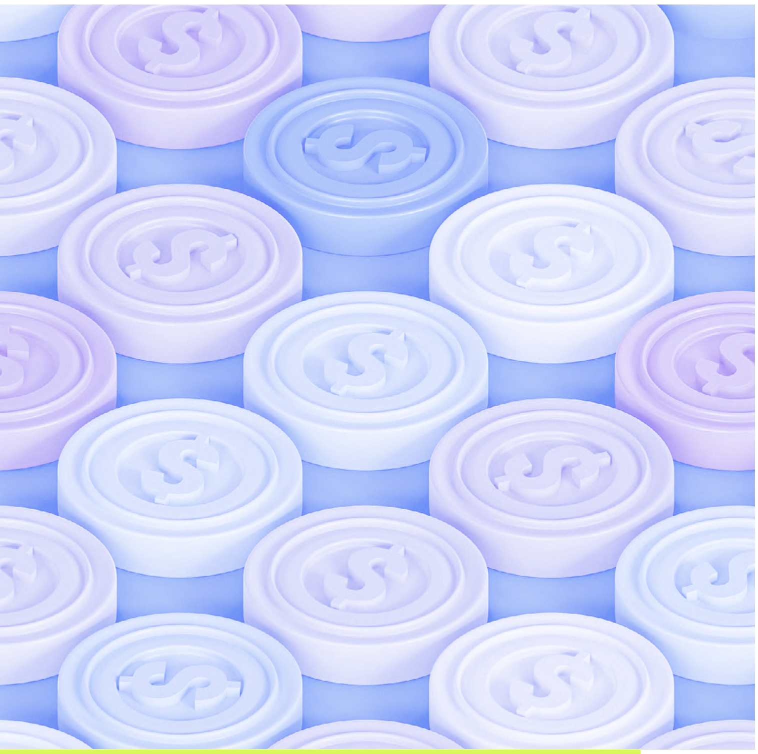
This possibility becomes even more significant as the company must face an especially heavy schedule of deadlines starting September 15, 2028. For five consecutive years, until 2033, Strategy will need to repay approximately $1.6 billion per year, totaling $8 billion. This is a colossal sum for a company whose historical software activities no longer generate sufficient cash flow to cover even a fraction of it. At the current price of $280 per MSTR share, only the bonds maturing in 2029 and 2030 are potentially «underwater,» as their conversion price is higher than the share value at the end of the first quarter of 2025. For all others, holders would be incentivized to convert their debt to shares, which would further dilute existing shareholders. But if the MSTR price were to drop significantly – due to a prolonged Bitcoin decline or too frequent and dilutive issuances – this scenario would collapse.



Strategy might then be forced to launch new issuances to honor previous ones, risking complete erosion of market confidence (meaning the company would be taking on debt to pay off debt). And if this option itself became inoperative, the company would have no choice but to sell part of its BTC stock. This move, coming from one of the world's largest Bitcoin holders, could trigger a downward spiral: massive selling, BTC price drop, MSTR share decline, new repayment pressures, new sales, and so on.

MICHAEL SAYLOR ALONE AT THE HELM, BUT FOR HOW LONG?

Beyond financial considerations, Strategy faces another challenge: governance. To finance its acquisitions, the company has multiplied fundraising through common share issuance, leading to progressive capital dilution. This is a classic process in corporate finance, but it can become destabilizing when the strategy relies on a shared long-term vision. In public companies, as founders' capital share decreases, their decision-making power erodes. And as the number of shareholders increases, so does the risk of divergent visions emerging, especially during crises. However, Strategy isn't like other companies: it's a Bitcoin Treasury Company, meaning an entity whose model relies on accumulating a speculative asset for the very long term. It can only function by gathering investors who believe in the relevance of this thesis. To maintain this alignment, Michael Saylor has worked to gradually bring in new shareholders who share his vision while securing his position at the top of the organization chart.

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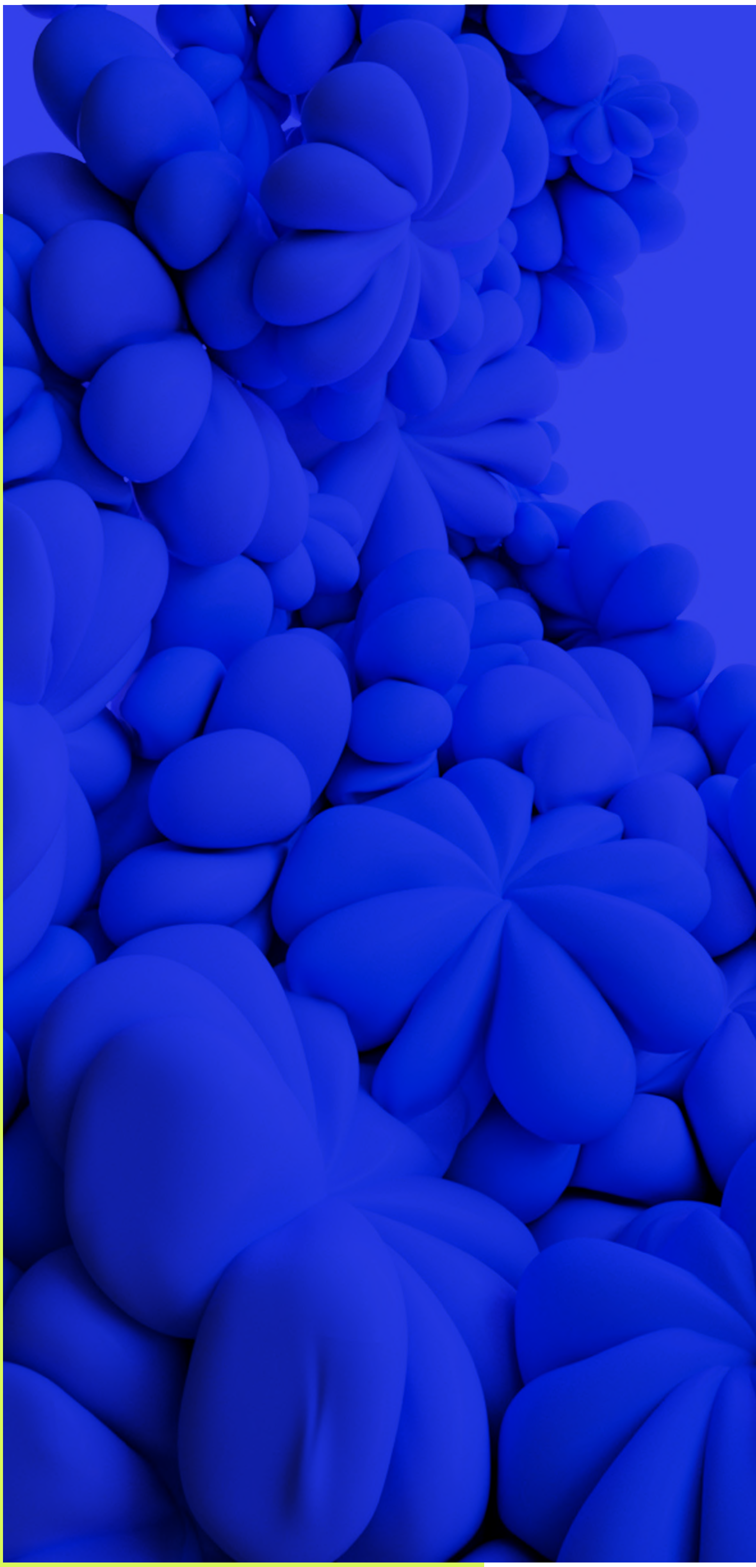
SAYLOR STILL HOLDS 46.8% OF STRATEGY'S VOTING RIGHTS

The system in place is particularly robust. Strategy distinguishes between Class A shares, which are ordinary and publicly traded, and Class B shares, which are not traded and carry ten times more voting rights. Today, 99.9% of Class B shares are held by Michael Saylor. This mechanism allows him to maintain, despite dilution, near-absolute power over the company's strategy. According to the DEF-14A form filed with the SEC on January 3, 2025, Saylor still holds 46.8% of Strategy's voting rights, even though his economic stake in the capital is now a minority. As long as this lock holds, he is free to pursue his Bitcoin bet without hindrance. But this power, however solid it may look on paper, rests on an increasingly strained financing structure. In the absence of significant operating revenues, everything depends on market confidence, maintaining the share price, and the conviction that Bitcoin will continue its upward trajectory. With more than 528,000 BTC on its balance sheet, Strategy has become the archetype of the crypto-aligned company. But this vanguard role, which earns it admiration from part of the ecosystem, could transform into an Achilles' heel if the market no longer follows. Michael Saylor's strategy has never been about diversification; it's an absolute act of faith. The slightest crack in this faith – among investors, creditors, or markets – could precipitate a chain reaction. More than a technological or financial bet, Strategy now embodies a real-life test of Bitcoin's resilience... and that of its supporters.



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Risks

THE TWO MAJOR RISKS FOR BITCOIN TREASURY COMPANIES SHAREHOLDERS

THE TWO MAJOR RISKS FOR BITCOIN TREASURY COMPANIES SHAREHOLDERS_

SOME LISTED COMPANIES LIKE STRATEGY ARE ADOPTING AN UNPRECEDENTED STRATEGY: MASSIVELY ACCUMULATING BITCOIN AS THEIR MAIN RESERVE ASSET. BY INVESTING IN THEIR SHARES, INVESTORS ARE THUS INDIRECTLY EXPOSED TO BITCOIN PRICE MOVEMENTS... BUT THAT'S NOT ALL. TWO MAJOR RISKS CAN AFFECT THE SHAREHOLDER'S ACTUAL PERFORMANCE.

RISK N°1: SHAREHOLDER DILUTION_

→ Why?
To finance the continuous purchase of Bitcoin, these companies regularly issue new shares or convertible bonds, giving creditors the right to receive shares at maturity.

→ Direct consequence
Existing shareholders are diluted if they don't participate in new issues.

→ Key metric: BTC Yield
This is the annual growth in the number of Bitcoins held per share. As long as this ratio increases, dilution can be justified: shareholders strengthen their Bitcoin exposure over time.

But beware:
If the BTC Yield becomes negative (e.g., issuing shares to repay debt or fund unprofitable operations), the investor loses out:
- They hold a smaller share of Bitcoin,
- And they underperform Bitcoin itself.

→ KEY TAKEAWAYS
Buying shares in a Bitcoin Treasury Company isn't just an investment in Bitcoin. It's a bet on:
- proper dilution management
- discipline in bitcoin accumulation
- and the balance between market value and actual reserves

RISK N°2 : THE GAP BETWEEN MARKET VALUE AND HELD BITCOIN VALUE_

→ The principle
The stock price reflects not only the value of Bitcoin reserves but also the market's confidence in the company's ability to accumulate more.

→ Two common scenarios
• In a bull market
The stock trades at a high premium compared to assets. The investor pays more than the actual value of Bitcoins held, reducing their return, even if the strategy works.

• In a bear market
The stock may trade at a discount, amplifying losses.

→ The strategic response
When the premium is high, the company can sell new shares through an At-The-Market (ATM) program:
- It raises funds at a good price,
- Buys more Bitcoin,
- And mechanically reduces the stock's overvaluation, making it attractive again.

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Leaders

THE 10 LARGEST PUBLIC COMPANIES HOLDING THE MOST BITCOIN

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[Data from March 30, 2025]

RANK	COMPANY	COUNTRY	BTC HELD	ESTIMATED VALUE (USD)
1	MicroStrategy	USA	528,185	$44B
2	MARA Holdings (Marathon)	USA	46,374	$3.84B
3	Riot Platforms	USA	18,692	$1.55B
4	Tesla	USA	11,509	$952.77M
5	Cleanspark	USA	11,177	$925.29M
6	Hut 8 Mining	CANADA	10,273	$850.45M
7	Coinbase Global	USA	9,480	$784.80M
8	Block Inc. (ex-Square)	USA	8,485	$702.43M
9	Bitcoin Group SE	GERMANY	3,605	$298.44M
10	Metaplanet	JAPAN	3,200	$264.91M

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Mapping

MAPPING OF BITCOIN TREASURY COMPANIES AND THEIR PARTNERS

MAPPING OF BITCOIN TREASURY COMPANIES AND THEIR PARTNERS_

_The largest Bitcoin Treasury Companies
(whose primary mission is to accumulate maximum bitcoins)

STRATEGY (EX MICROSTRATEGY)
METAPLANET
THE BLOCKCHAIN GROUP

_Custodians

KOMAINU
ANCHORAGE
BITGO
HEXTRUST
COINBASE CUSTODY
FINOA

_Custody technology providers

FIREBLOCKS
TAURUS
DFNS
METACO
LEDGER ENTERPRISE

_Brokers / Market makers / OTC

APLO
FLOWDESK
FALCONX
FLOW TRADERS
COINSHARES
GALAXY
GSR
WINTERMUTE
B2C2

MAPPING OF BITCOIN TREASURY COMPANIES AND THEIR PARTNERS_

_Audit

DELOITTE
EY
MAZARS
KPMG
PWC

_Institutional-level exchanges

COINBASE
BITSTAMP
PAYMIUM
KRAKEN

_ Financial intermediaries

GOLDMAN SACHS
BBVA SWITZERLAND
JPMORGAN
DELUBAC
CACEIS
SYGNUM
FIDELITY
STANDARD CHARTERED
SG-FORGE

_Private companies holding Bitcoin on their balance sheet

SPACE X
XAPO
TETHER
TEZOS FOUNDATION
STONE RIDGE HOLDINGS GROUP
BLOCK ONE

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