Bitcoin Treasury Investment Whitepaper

A framework for grading Bitcoin treasuries on optionality, Bitcoin leverage, and durability

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The author may hold positions in the companies and instruments discussed. Figures are as of 2 June 2026 and are subject to change.

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The Bitcoin Treasury Thesis

You could likely capture the next mania by investing in any company with Bitcoin on its balance sheet. But the reality is that most Bitcoin treasuries are unprepared to fully take advantage of this window of opportunity. Manias are reflexive in nature, and although most Bitcoin treasuries will experience mNAV expansion, only the ones that are aggressively raising capital will have outsized returns.

In 2000, at the peak of the dot-com bubble, tech companies were trading at P/E ratios ten times larger than normal. Even having dot-com in the corporate name predictably increased their valuations. This mania created many valuation disasters and funded companies that should never have existed. For others it was a window of opportunity to raise as much capital as possible. Amazon raised billions during this period, survived after the bubble burst, and today is one of the most valuable companies ever built. The ability of a Bitcoin treasury to capture a future mania is what this framework measures.

In the summer of 2025, there was the first Bitcoin treasury mania as MSTR was approaching a new all-time-high. Just like companies that added dot-com to their corporate name saw increased valuations, any company that adopted a Bitcoin treasury strategy would trade up. Bitcoin peaked earlier than many analysts predicted and the mania gradually wound down. A company owner I spoke with had capital lined up to launch a Bitcoin treasury during the window. As sentiment shifted, his committed investors withdrew at the last minute despite no change in the underlying plan. The capital was tracking the sentiment, not the analysis. This is the reflexivity that defines a mania.

There is evidence that there will be another Bitcoin treasury mania in the next Bitcoin bull market: Bitcoin peaked earlier than expected, and Strategy was still early in its development of fixed income. As of this writing, Strategy has issued $10.5 billion of STRC, and Strive has issued $751 million of SATA. These preferred instruments allow these companies to accumulate Bitcoin with no dilution. As Bitcoin appreciates, the companies with amplified Bitcoin will outperform, and that's when the mania will return.

The difference between the dot-com era and the Bitcoin treasury era is that Bitcoin is capital. A website is not a good store-of-value and can easily become worthless if it doesn't serve the right audience. On the other hand, a company that just holds Bitcoin will still perform well. This is the asymmetry in Bitcoin treasuries. In the worst case the Bitcoin exposure doesn't change, and in the best case the company grows Bitcoin exposure over time. This holds true as long as you invest in a reputable company.

The treasuries that are large enough to issue preferreds will be able to increase their Bitcoin exposure in all market environments. They don't need to issue undervalued shares to raise capital when they can underwrite perpetual dividends. This is the purest directional bet on Bitcoin.

The smaller companies will have to serve different capital markets. Connecting Excellence Group issued its Bitcoin note XCE-Dec26 with a variable conversion price linked to Bitcoin. This effectively allows it to issue shares at a slightly higher mNAV by serving a specific capital market. Strategy will likely not prioritize these niche markets, and that's where the smaller Bitcoin treasuries have an opportunity.

It's beneficial for a Bitcoin treasury to have a value proposition like the examples above. But it's not essential. The companies that will outperform are not the most complicated, it's the ones that are able to capture the next mania by raising as much capital as possible within a short period of time.

Smarter Web began trading on April 25, 2025 with a market cap of £6.61 million. Three days later it bought its first 2.3 BTC. Two months later on June 21 its market cap neared £1 billion and its stock had increased by more than 10,000%.[1] It accomplished this by aggressively raising capital during a period of high market sentiment with lots of eager investors and high valuations.

Smarter Web is down 94% since the peak and it holds 2,859 BTC.[2] This is the tale of a company that established itself as one of the leading Bitcoin treasuries by aggressively raising capital when the market rewarded it. Its Bitcoin exposure grew by orders of magnitude since its first purchase and it established itself as a larger and more resistant company that can survive the next bear market. Only the structurally prepared companies will be able to capture the next window of opportunity. This is what separates a transformational company from a speculative one.

The Framework

The framework grades treasuries on three pillars: Optionality, Bitcoin leverage, and durability. Together they measure a Bitcoin treasury's ability to keep and increase Bitcoin exposure over time. The framework identifies the companies best positioned to capture the asymmetry described in the thesis: preserved Bitcoin exposure in the worst case, multiplied Bitcoin exposure in the best case.

Optionality is the ability to raise capital in a future mania. The company will be trading at a multiple to NAV and it should use this window of opportunity to raise as much capital as possible. High optionality is measured by small market capitalization, proven ability to raise capital at scale, and a strong network of investors. All of which signal that a company can grow Bitcoin exposure in a future mania.

Bitcoin leverage is the ability to grow Bitcoin exposure without diluting shareholders. The ideal is long-duration, fixed income capital that decays in real terms as Bitcoin appreciates. Preferreds are the gold standard.

Durability measures the risk-profile of a company. It encompasses leverage, debt terms, the operating business, and the company's track-record. A poorly managed balance sheet can cause heavy dilution, forced Bitcoin sales, or bankruptcy. A well-managed one can sustain prolonged bear markets without losing Bitcoin exposure.

The grading scale is A–F. The durability pillar treats low grades as impairment; a company that ranks F in durability is a bad investment regardless of its other pillars. The upside pillars, Bitcoin leverage and optionality, treat low grades as missing upside rather than impairment; you won't see a company grade F on either of them since F signals active failure. Plus and minus signs may be used to indicate positions within a tier.

Optionality is triggered above mNAV, which happens for the vast majority of Bitcoin treasuries during a mania. During periods of low sentiment, when the stock is trading below mNAV, issuing shares would decrease Bitcoin exposure rather than increase it. Bitcoin leverage, on the other hand, allows the treasury to increase Bitcoin exposure even when the stock is trading below mNAV. They grow Bitcoin exposure in different environments.

The most consequential dynamic in the framework is that optionality and Bitcoin leverage are negatively correlated. That's because optionality favors the small-sized companies, whereas issuing preferreds requires far greater scale.

The three pillars measure different aspects of a Bitcoin treasury. Durability helps keep the Bitcoin exposure, optionality increases Bitcoin exposure within a mania, and Bitcoin leverage

[1] Share-price history: Aquis Stock Exchange, SWC company page. Listing market cap is stated on a shares-outstanding basis.

[2] Share count and BTC holdings: Halvex issuer page for Smarter Web.

increases Bitcoin exposure as Bitcoin appreciates in price. The framework's value is distinguishing these capabilities rather than composing a total score for each company. The following chapter examines each pillar in depth.

Pillar	What it measures	High grade	Low grade
Optionality	Ability to raise capital during mania windows	Capital markets infrastructure in place, fast execution capability	Limited infrastructure, slow processes, weak investor base
Bitcoin leverage	Ability to grow Bitcoin exposure without dilution	Preferred issuance at scale, full instrument stack	Convertibles only, no preferred capability, destructive structures
Durability	Risk profile and survival capacity	Long-duration debt, negligible operating business, strong track-record	Short-duration refinancing, struggling business, lack of track-record

Pillar Deep Dives

Optionality

In mania, a Bitcoin treasury will trade at a multiple to NAV. This is the window to raise as much capital as possible and grow Bitcoin exposure by orders of magnitude. The companies that capture this window are not the most sophisticated, but they are the ones with infrastructure to move fast when the market rewards it.

Sander Andersen founded Finpeers in 2022 and used that network extensively to raise capital: "H100 has partnered up with Finpeers, and we actively leverage that community for strategic capital raising."[3] This is how Sander secured Adam Back as an investor and strategic partner, which played a large part in H100's success and rapid growth.

H100 structured its convertible bonds in tranches that execute one after another. It could effectively maintain a modest leverage ratio by only activating new convertible bonds once the previous ones had been converted. But more importantly, it could raise a lot of capital within a mania environment where the stock surged in a matter of days. If H100 issued the convertible bonds individually it wouldn't be near the size that it is today.

The depth of a company's investor network is rarely visible from the outside. Market cap is the best external signal. A smaller company has more room to multiply its Bitcoin exposure in a future mania.

Strategy has some of the best access to capital out of any other Bitcoin treasuries. However, its large market-cap is a limiting factor in its optionality. With 843,706 BTC on the balance sheet, any further capital raises are likely to increase the price of Bitcoin rather than its Bitcoin holdings. A smaller company like Connecting Excellence, with 62.9 BTC on the balance sheet, is much more likely to significantly multiply its Bitcoin exposure.

[3] Interview: "H100 — New Bitcoin Treasury Company: Q&A with CEO," mNAV Insights. Capital structure: Halvex issuer page for H100.

Bitcoin leverage

Share issues only increase Bitcoin exposure above mNAV. A treasury optimizing for pure optionality won't have access to capital in bear markets. However, there is another method to grow Bitcoin exposure that's more aligned with the Bitcoin thesis and that doesn't depend on market sentiment. That is to issue fixed income. This is the purest form of growing Bitcoin exposure. No dilution, and the debt goes to zero as Bitcoin appreciates.

Strategy was first to market with preferreds, but scale works against it where significant capital raises are likely to move the price of Bitcoin rather than its holdings. Strive sits in the middle ground: large enough to issue preferreds at scale, small enough that the same capital meaningfully grows its Bitcoin exposure. The result is that Strive's $751 million of SATA produces a 48.2% amplification, while Strategy's $10.5 billion of STRC produces 35.4%.[4]

Most treasuries are too small to issue preferreds and have to rely on other methods. In November 2024 Strategy issued a convertible bond MSTR-Dec29 with a 5-year duration, 0% coupon, and 55% conversion premium. This is dilutive if it converts but less dilutive than a normal share issue. A large conversion premium and long duration provides higher Bitcoin leverage.

Companies can also grow Bitcoin leverage through credit facilities, underwriting insurance, and similar instruments. Credit facilities are usually short-dated with strict collateral requirements which makes them unsuitable for long-term Bitcoin exposure. The spectrum runs from preferreds, which are the most aligned with the Bitcoin thesis, to credit facilities, which are useful in the refinancing phase.

Durability

A treasury needs to survive long enough to capture the upside. Bitcoin is inherently volatile and without a robust capital structure, the company could face heavy dilution, forced selling, or bankruptcy in a Bitcoin bear-market. What we're trying to achieve is something more durable than an MSTR call option. The goal is to achieve Bitcoin exposure with perpetual optionality.

Bitmax had four convertible bonds go past their put-dates, two in 2025 and two in early 2026. It issued a new convertible bond and used the proceeds to fully repurchase two of them. Today Bitmax is facing 255% dilution if its three remaining bonds convert.[5] The structural flaw was that the durations of the instruments were too short and it didn't give Bitcoin enough time to appreciate.

DDC illustrates an instrument that immediately became destructive. It issued its convertible bond DDC-Jul27 with a variable conversion price of 94% of the lowest 10-day VWAP (volume-weighted average price). As of this writing, the variable conversion price has been amended to 88% of the lowest 20-day VWAP. This is a death-spiral pattern, with uncapped dilution, where the bondholder can buy shares at steep discounts and sell them into the open market. The selling pressure pushes the price down along with the conversion price, and the bondholder can continue this pattern to dilute shareholders. The examples above impair durability with toxic debt. A company's operating business can also be a liability.

Bitcoin Depot, the largest North American Bitcoin teller machine (BTM) operator, filed for Chapter 11 bankruptcy, forcing the sale of 100 BTC. This was not a surprise. The regulatory threat was visible when Bitcoin Depot started its treasury strategy in June 2024. BTM fraud was already an FBI priority and state legislation was already in motion. From there it unfolded: Connecticut suspended the company's money transmission license, Indiana, Tennessee, and Minnesota banned BTMs outright, FBI kiosk-fraud complaints rose 58% year-over-year, revenue

[4] Amplification, BTC Risk, and capital-structure figures throughout are sourced from Halvex and the per-issuer pages cited below.

[5] Refinancing: TokenPost. Bond terms and dilution: Halvex issuer page for Bitmax.

collapsed 49% in a single quarter, and the company issued a formal going-concern warning a week before filing.[6] The failure is not always structural. A company can also become a voluntary seller.

In July 2025, Sequans adopted a Bitcoin treasury strategy: "our bitcoin treasury strategy reflects our strong conviction in bitcoin as a premier asset and a compelling long-term investment."[7] In May 2026 it abandoned its focus on Bitcoin: "We have strengthened our balance sheet, simplified our capital structure, and are now fully focused on scaling our IoT semiconductor business."[8] This statement came after Sequans had decreased its Bitcoin holdings by almost 80% since November 2025. Stated conviction doesn't always reflect genuine understanding.

Applying the Framework (2026-06-02)

These five companies are purposefully chosen to grade across the full spectrum of the grading scale.

Company	Optionality	Bitcoin leverage	Durability
Strategy	C	A	A+
Strive	B	A+	A
Connecting Excellence	A+	D	B
DDC	B–	D	D
Sequans	–	–	F

Strategy

Strategy bought its first Bitcoin in August 2020, survived the 2022 bear market, and pioneered the Bitcoin treasury space. It has the strongest track-record of any treasury in this framework. It holds 843,706 BTC, roughly 4% of all Bitcoin that will ever exist, with a fully diluted market-cap of ~$51 billion.[9] It has issued $15.5 billion across five preferred instruments, with STRC being the most successful at a variable ~11.5% annualized dividend paid monthly. Combined with its convertible bonds, this produces a 35.4% amplification. It is actively paying off those convertible bonds while continuously raising more capital through STRC. Its BTC Risk sits at 0.89% with ~36 years of dividend coverage, making it the most conservative balance sheet in this framework.

The constraint is scale. Capital raises large enough to matter are likely to move the price of Bitcoin rather than its holdings, which limits optionality relative to smaller companies. Fixed income is a ~$156 trillion industry[10] and Strategy has captured less than a basis point of it, suggesting the Bitcoin leverage story is far from over, but the returns will accrue more slowly at this size.

[6] FBI complaint data, revenue collapse, and bankruptcy timeline: BeInCrypto. Capital structure: Halvex issuer page for Bitcoin Depot.

[7] Sequans, "$384M Strategic Investment to Launch Bitcoin Treasury Initiative."

[8] Sequans, "Completes Full Redemption of Convertible Debt, Reestablishes Pure-Play Focus on IoT Semiconductor Growth."

[9] Fully diluted share count derived from authorized shares per Strategy's SEC Form 8-K; balance-sheet data from Halvex issuer page for Strategy.

[10] Bloomberg, "Measuring the Total Fixed Income Market."

Strive

Strive (ASST) holds 19,000 BTC with a fully diluted market-cap of $1.68 billion. Jeff Walton and Ben Werkman, both longtime Strategy analysts through the True North podcast, bring genuine expertise to the executive team. Matt Cole has stated that ASST remains under-amplified relative to the opportunity Bitcoin presents,[11] and the team has backed this with action: SATA was the first preferred stock to introduce daily dividends, and Strive has issued $751 million of it since November 2025, producing a 48.2% amplification entirely through preferred equity. When Strive listed SATA it had already seen the success of STRC, which allowed it to focus entirely on that instrument and keep a clean balance sheet. The result is higher Bitcoin leverage than Strategy despite being a fraction of its size.

The balance sheet reflects this focus. The notable expense is a 13% annualized dividend on SATA paid daily. Strive holds $137.3 million in fiat reserves and $49.5 million in STRC, covering 22 months of dividend payments. There is no short-term risk of forced selling.

The constraint is that Strive is a newer company that hasn't been tested through tough market conditions. Its $750 million PIPE (private investment in public equity) with $750 million in warrants proves it can raise capital at scale,[12] and its ATM (at-the-market) facilities give it room to grow Bitcoin exposure in a future mania. But its higher Bitcoin leverage naturally comes with more risk, and the track-record to match Strategy's isn't there yet.

Connecting Excellence

Scott Ellam has led Spencer Riley, a subsidiary of XCE, and started buying Bitcoin for its balance sheet in 2021. Richard Byworth serves as a board member and is an expert in the field. It is unusual to see a team of this caliber in an £8 million company. Ellam has been on multiple podcasts talking about the Bitcoin treasury strategy, and the company has issued a Bitcoin note subscribed to by Adam Back.

Connecting Excellence holds 62.9 BTC with a fully diluted market-cap of £8 million.[13] It is listed on the Aquis stock exchange, relies on private placements, and will be able to pivot to bookbuilds as demand grows. Its small size combined with its access to capital means it could multiply Bitcoin exposure by orders of magnitude in a future mania.

The Bitcoin note expires in December 2026, which could require returning 10 BTC to Adam Back. This is not a durability concern since it involves no dilution. The more prominent risk is that the recruitment business makes it a forced seller of Bitcoin over time, though it is not capital intensive and is currently profitable. There is no meaningful Bitcoin leverage at this scale, which is a function of size rather than a strategic failing. In mania, that same small size is the source of its highest upside.

DDC Enterprise

DDC Enterprise holds 2,714 BTC with a market-cap of $56 million.[14] It has a $500 million unused shelf registration giving it room for future capital raising, but as a foreign private issuer it faces reduced investor demand and thinner disclosure requirements than a domestic company.

The durability concern is the convertible bond DDC-Jul27, as described in the durability section above. The fully diluted market-cap is uncertain because the number of shares adjusts with the stock price, making the extent of potential dilution difficult to model. The reduced disclosures

[11] Matt Cole (CEO, Strive) on X: @ColeMacro.

[12] Nasdaq, "Strive Asset Management Secures $750 Million PIPE Financing." Issuer data: Halvex issuer page for Strive.

[13] Holdings and capital structure: Halvex issuer page for Connecting Excellence.

[14] Holdings, convertible terms, and capital structure: Halvex issuer page for DDC Enterprise.

of a foreign private issuer make this structure especially concerning. DDC is not a forced seller of Bitcoin and likely won't be, but the death-spiral pattern puts common shareholders at significant risk.

There is no Bitcoin leverage. The executive team lacks the track-record of Strategy and the prominence of Strive or Connecting Excellence.

Sequans

Sequans adopted a Bitcoin treasury strategy in July 2025 and had sold almost 80% of its holdings by May 2026, when it abandoned the strategy entirely. The other pillars are not graded. A company that won't hold Bitcoin offers no Bitcoin exposure to analyze.

Risks to the Thesis

Bitcoin 30% CAGR assumption

The 30% CAGR (compound annual growth rate) assumption is derived from Bitcoin reaching ∼$13 million per coin by 2046, starting from today's price of ∼$68k. Based on this thesis, the framework grades durability high even for companies like Strive paying 13% dividends on its preferred.

In November 2021 Bitcoin had an all-time-high at ∼$69k. As of this writing, Bitcoin is trading near $68k after peaking at $126k in October 2025. That's a sideways price action in the span of over four years with an intervening bull market. The risk is that Bitcoin will keep trading like a risk-on asset for the next four or five years in a risk-off environment. This would pressure the amplified Bitcoin treasuries and likely force them to sell part of their holdings unless they refinance.

The argument against a prolonged period of sideways action is that the structural environment has changed. Nation states have established strategic Bitcoin reserves, ETFs were approved by the SEC in 2024, and preferred instruments are drawing fixed income capital into Bitcoin. These are demand drivers that didn't exist in previous cycles, making sustained underperformance harder to sustain.

The mania has already happened

A separate but related risk is whether the market will reward a second Bitcoin treasury mania. The last mania ended with significant mNAV contraction, and investors who bought at the peak were left with heavy losses. The market may not return with the same enthusiasm.

The counter-argument is that STRC and SATA are changing what Bitcoin treasury investing looks like. Since the last mania, Strategy has issued $10.5 billion of STRC and Strive has issued $751 million of SATA without any dilution to common stock. These instruments offer high, Bitcoin-like returns with low volatility, something the fixed income market has never had at scale. They have not yet been through a bull market.

Conclusion

Bitcoin will appreciate in price over the long-term and we will experience a Bitcoin treasury mania. Companies with high Bitcoin leverage will increase Bitcoin exposure as the price of Bitcoin appreciates. The ones with high optionality are positioned to significantly grow Bitcoin exposure in a future mania, similar to what Smarter Web and H100 did in the summer of 2025. The timing of when the thesis will play out is uncertain, and a company with high durability will be able to survive for long enough to eventually capture the upside. The framework is durable across cycles. The optionality trade is specific to this one since the market has yet to see how amplified Bitcoin treasuries perform in a bull market, and that performance will be the catalyst for the next mania.

Appendix: Glossary

Bitcoin exposure	BTC per share.
NAV	Net asset value — here, the value of a company's Bitcoin reserves.
mNAV	Fully diluted market cap relative to BTC reserve value.
Above mNAV	Above 1x mNAV.
Below mNAV	Below 1x mNAV.
Amplification	Total leverage — convertibles plus preferreds, net of cash — as a percentage of a company's Bitcoin holdings: (debt + preferreds − fiat reserves) ÷ BTC reserve value.
BTC Risk	The probability that Bitcoin falls below an instrument's price floor before it matures, modeled on a 30% expected annual return and 45% volatility (Halvex).
ATM offering	At-the-market offering: the sale of newly issued shares directly into the market at prevailing prices. Distinct from a Bitcoin ATM (see BTM).
BTM	Bitcoin teller machine: a physical kiosk for buying and selling Bitcoin.
CAGR	Compound annual growth rate.
PIPE	Private investment in public equity: a privately negotiated capital raise by a publicly listed company.
VWAP	Volume-weighted average price.

Sources

All capital-structure data, BTC Risk figures, and amplification calculations are sourced from Halvex (`https://halvex.xyz`). Inline footnotes throughout link each claim to its source; the references below consolidate them.

Halvex — issuers

- Strategy: halvex.xyz/issuer/strategy
- Strive: halvex.xyz/issuer/strive
- Connecting Excellence: halvex.xyz/issuer/xce-connecting-excellence
- DDC Enterprise: halvex.xyz/issuer/ddc-enterprise
- Smarter Web: halvex.xyz/issuer/smarter-web

- H100: halvex.xyz/issuer/h100
- Bitmax: halvex.xyz/issuer/bitmax
- Bitcoin Depot: halvex.xyz/issuer/bitcoin-depot

Halvex — instruments

- STRC (Strategy preferred): halvex.xyz/instrument/preferred/mstr-strc-pref
- SATA (Strive preferred): halvex.xyz/instrument/preferred/strive-sata-pref
- MSTR-Dec29 (Strategy convertible): halvex.xyz/instrument/convertible/mstr-dec-2029-conv
- DDC-Jul27 (DDC convertible): halvex.xyz/instrument/convertible/ddc-enterprise-jul-2027-conv
- XCE-Dec26 (Connecting Excellence Bitcoin note): halvex.xyz/instrument/convertible/xce-connecting-excellence-dec-2026-conv

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- Strive PIPE and warrants: https://www.nasdaq.com/articles/strive-asset-management-secures-750-million-pipe-financing-targeting-15-billion-total