

Bitcoin Treasury Strategies

Analyzing Corporate Bitcoin Conviction

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INTRODUCTION

Bitcoin on the Balance Sheet: The Birth of a Risky Corporate Frontier

Over the past four years, a small but vocal subset of companies has embarked on one of the boldest financial experiments in modern corporate history: replacing portions of their treasury reserves with Bitcoin.

This isn't a marketing gimmick. These firms, most notably Strategy (formerly Microstrategy), have borrowed billions of dollars in fiat, issued new equity, and restructured their entire balance sheet to buy Bitcoin. The aim? To front-run what they see as the monetization of the world's first truly scarce digital asset.

But this strategy is not without precedent. If you squint, it resembles a time-tested wealth engine used by families and companies for centuries: borrow fiat, acquire a scarce hard asset, and ride both time and leverage to build generational wealth. It worked for land. It worked for property. It worked for oil. **Could it now work for Bitcoin?**

That's the question this report explores. Yet unlike land or productive real estate, Bitcoin doesn't yield. It doesn't cashflow. It just sits there. That's where many of these companies misstep: they treat Bitcoin like a hedge, or worse, a PR stunt. But this is overseeing the fact that Strategy isn't just buying an asset. They're buying **digital capital**.

Most of these BTC Treasury companies will fail. Their financing is poor, their timing worse, and their understanding of Bitcoin even weaker. But what Strategy has done—the structure, the scale, and the conviction—is worth studying.

In this report, we break down:

- Who the Bitcoin Treasury companies are, how they financed their strategy, and how exposed they are
- Whether this is just a carry trade in disguise, or something more profound
- The historical analogies to land, gold, and cashflow-producing hard assets
- And ultimately, why Bitcoin must evolve into productive capital to fulfill this vision

This isn't just a story about treasury management. It's about what comes next when a company starts to think like a protocol—and a protocol starts to resemble a treasury asset.

THE CORE STRATEGY

What Is a Bitcoin Treasury Strategy?

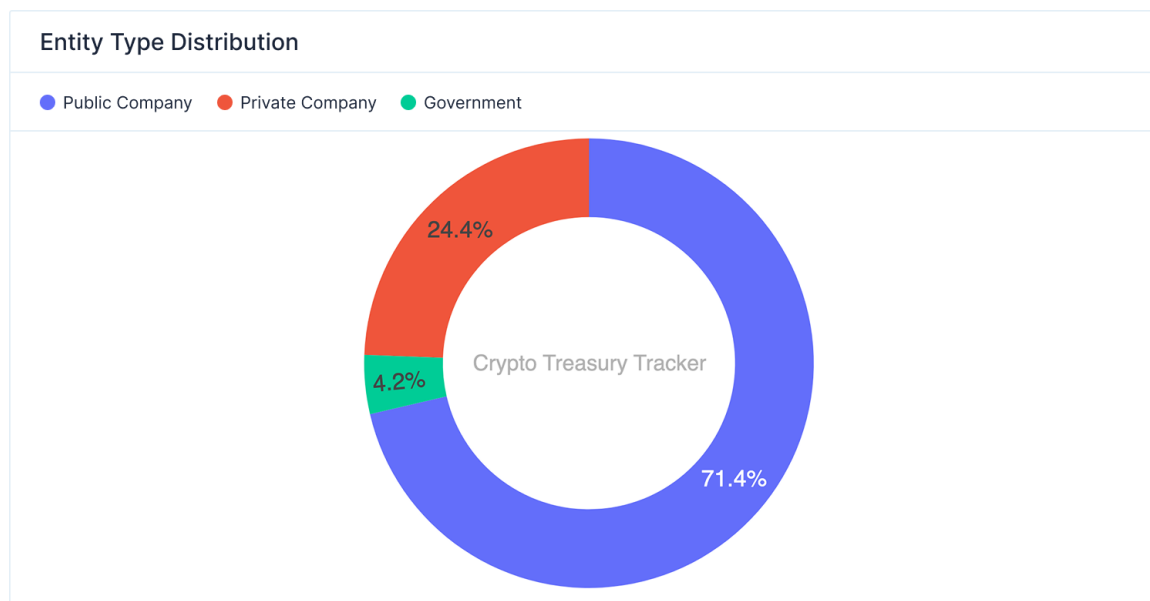
At its surface, the idea is disarmingly simple: replace fiat cash reserves, typically held in short-term treasuries or money markets, with Bitcoin. For some firms, it's a modest percentage allocation. For others, it becomes the core balance sheet asset.

But peel back the layers, and this strategy is far more radical. Most of these companies are not simply “holding Bitcoin.” They are borrowing fiat—either via convertible bonds, senior notes, or newly issued equity—and using that capital to buy a scarce, non-yielding, highly volatile digital asset. That's not treasury management. That's structured speculation.

This is why it's critical to distinguish between BTC as a reserve asset (a defensive move, inflation hedge, or alternative cash position) and BTC as digital capital (an offensive move, leveraged and long-term, built for appreciation and, eventually, productive yield). The former is reactive. The latter is strategic.

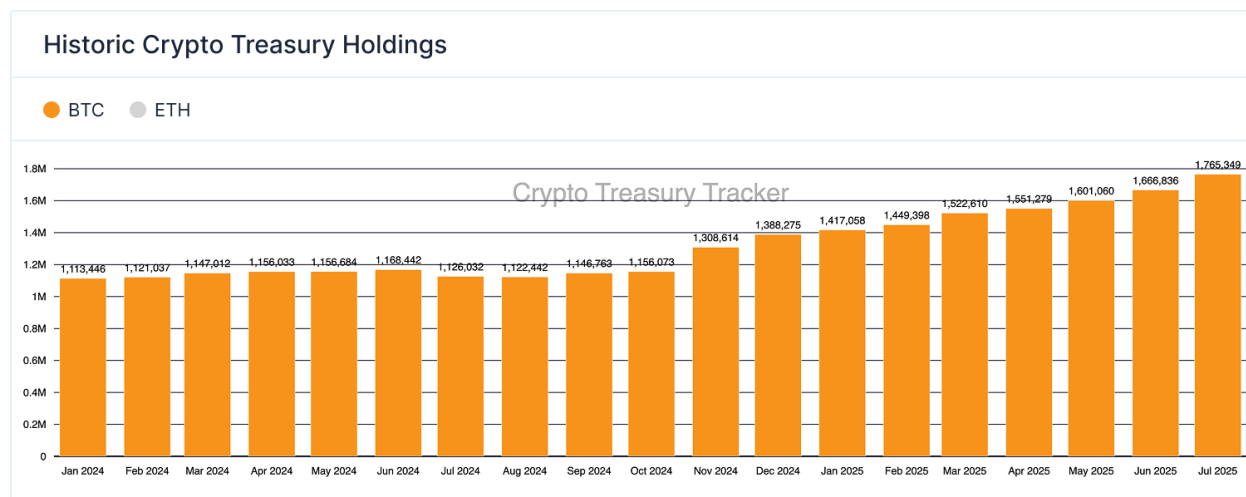
Who Is Doing It?

Bitcoin holdings total \$228,852,653,916 across 213 entities, including companies and governments. Public companies hold 71.4%, private companies 24.4%, and the remaining 4.2% is held by governments and other entities.



[Bitcoin in treasuries by entity type / CTT dashboard](#)

Furthermore, holdings have been increasing steadily in recent years, from a combined amount of 1.1 million Bitcoin in 2024 to over 1.77 million bitcoin in August of 2025. This growth is largely driven by the companies acquiring Bitcoin as part of the popular Bitcoin treasury strategy.



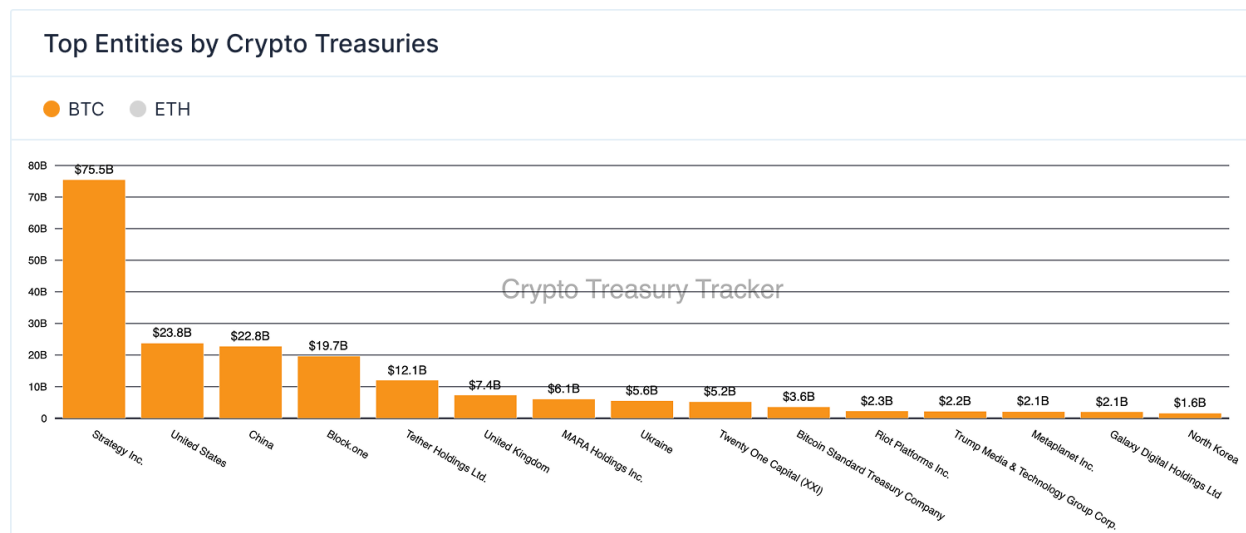
[Historic Treasury Holdings / CTT dashboard](#)

To analyze the Bitcoin treasury strategy in detail, we've identified and categorized Bitcoin Treasury companies into two main groups:

1. Publicly Traded Companies

- **Strategy (formerly MicroStrategy):** Holds 628,791 BTC (as per Aug 2025), financed via convertible bonds and equity. It is the benchmark.
- **Twenty One:** Holds 37,230 BTC (as per Jun 2025); Newly-listed *Bitcoin-native* company (via SPAC) aiming to maximize BTC per share for investors. Backed by Tether and others, it rapidly accumulated ~37k BTC upon going public in 2025, positioning itself as a pure Bitcoin holding vehicle.
- **Metaplanet Inc.:** Holds 17,132 BTC (as per Aug 2025); Japanese public company (Web3/metaverse-focused) that aggressively shifted to a Bitcoin treasury strategy in 2024. Aims to accumulate 21k BTC by 2026, targeting ~1% of total BTC supply. Its recent purchases (funded by a ¥55B raise) brought holdings to 12,345 BTC, making it the largest corporate BTC holder in Asia.

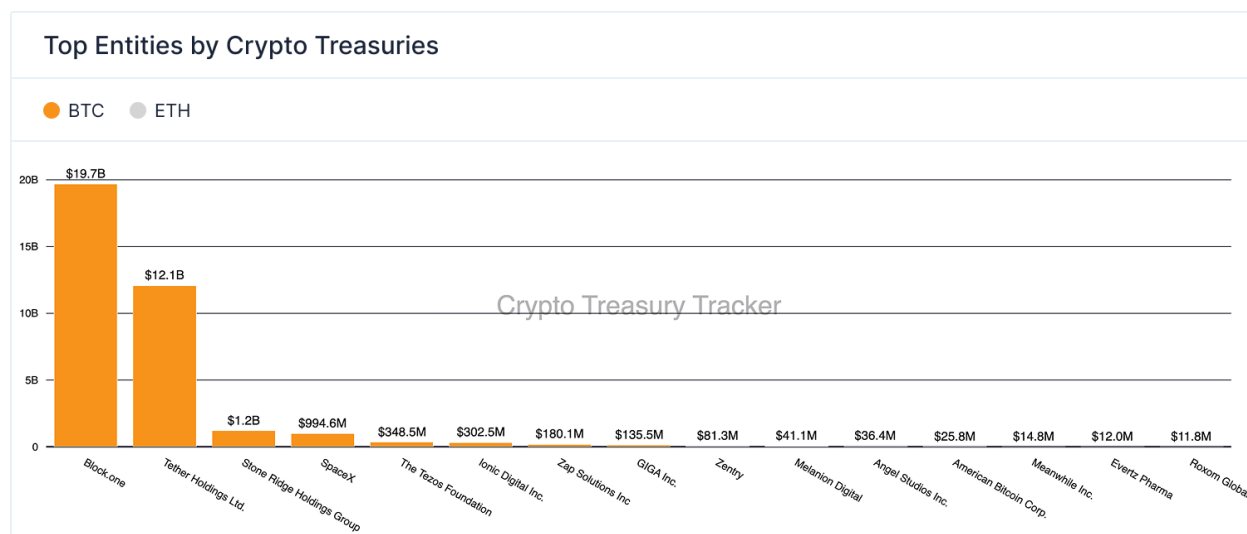
- **Tesla:** Holds ~11,500 BTC (as per Jun 2025); They bought early in 2021 and later sold a portion (about 75% of the initial position). Less conviction, unclear long-term intent.
- **Coinbase, Hut 8, Hive Blockchain, Riot Platforms, etc.:** Hold BTC primarily via retained earnings or mining operations. Their holdings reflect operating models more than treasury conviction.



[Bitcoin in treasuries / CTT dashboard](#)

2. Privately Held Companies

- **Tether (USDT issuer):** Holds 100,521 BTC (Q1 2025). One of the largest holders, financed from operational surplus (stablecoin seigniorage). Likely strategic but opaque.
- **Block.one (EOS backer):** Reportedly acquired 164,000 BTC (most of it during their ICO). Strategy unclear, execution questionable.
- **Others (e.g., Stone Ridge, Mode, Tezos Foundation):** Often hold smaller amounts; some with ideological conviction, others opportunistic.



[Bitcoin in treasuries / CTT dashboard](#)

How Did They Finance the Trade?

The financing of these trades can be complex, and capital comes from a mix of convertible bonds, equity and operating cash.

1. Convertible Bonds (e.g., Strategy)

Companies like Strategy have used convertible bonds to finance Bitcoin acquisitions, taking advantage of ultra-low coupons (typically 0–0.75%) and maturities of about five to seven years. The appeal for investors is less the modest interest and more the potential for equity upside: if the company's stock appreciates—often propelled by the performance of its BTC holdings—the conversion option can become highly valuable. Strategy executed multiple tranches under this playbook (for example, \$650 million at 0.75% in December 2020 and \$500 million at 0% in 2021), achieving substantial leverage while keeping interest costs minimal in a near-zero-rate environment.

2. Equity Issuance

Companies also finance Bitcoin purchases by issuing equity, especially when their shares trade at elevated valuations during BTC bull markets. The organisations effectively test dilution tolerance by pricing new stock against the current market level; as long as the market rewards the long-BTC thesis, issuance can be accretive. The model breaks down

when new shares are no longer welcomed—issuance turns non-accretive, appetite fades, and the capital channel closes.

3. Retained Earnings / Operating Cash

Others firms rely on retained earnings and operating cash. Mining firms and certain private companies (e.g., Tether, Block.one) have funded BTC accumulation from revenue or seigniorage-like profits, avoiding interest expense and covenant risk. The trade-off is that, compared with Strategy's bond-driven playbook, this path can be less structured and show less balance-sheet rigor, making capital deployment more variable over time.

FINANCIAL HEALTH AND FRAGILITY

The Balance Sheet Doesn't Lie: Can These Companies Survive Without Bitcoin Going Up?

Bitcoin's price has a way of dominating the headlines. But beneath the surface, the real question is simpler: Can these companies survive without it?

When you strip away the Bitcoin holdings, what's left? A healthy business generating cashflows? Or a hollowed-out vehicle riding the volatility of an external asset? In this section we evaluate this in detail.

Operational Reality: GAAP Net Income (Ex-BTC)

We analyzed the latest GAAP net income from each public Bitcoin Treasury company. The result: most are either unprofitable or heavily dependent on BTC mark-to-market gains to appear solvent.

Strategy	Core business (enterprise software) remains marginally profitable or break-even. But the real value is in structured financing + BTC upside, not in the software itself.
Tesla	Core business is strong, but BTC holdings are immaterial to the broader P&L. The Bitcoin purchase was symbolic; the partial sell-off confirmed it wasn't strategic.
Coinbase	Profitability swings with crypto trading volume. Without BTC price volatility and ecosystem churn, revenue drops sharply.

Hut 8, Hive, Riot, Marathon	Mining margins are razor-thin and deteriorating. Most are structurally unprofitable below ~\$100k BTC. Treasury BTC holdings act more like a survival buffer than capital base.
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Key takeaway: *Very few of these companies can consistently fund operations — let alone interest payments — without external capital or favorable Bitcoin cycles.*

Asset Exposure: The BTC Balance Sheet Ratio

To dive deeper into the financial health, we calculated the ratio of current BTC market value to total assets from the latest financial statements. A higher ratio means the company is more exposed to BTC price swings while also signaling greater fragility in a downturn as coverage and cushions compress. It further captures concentration risk by showing how much of the firm's value is tied up in a single, highly volatile asset. Conversely, a lower ratio points to a more diversified base and a wider margin of safety.

- **Strategy:** BTC = ~135% of total assets — but backed by long-dated, fixed-rate debt. Structurally convex.
- **Mining firms:** BTC often 50–80%+ of assets, but liquidation risk is high — short-term cash needs and limited refinancing options.
- **Tether (private):** BTC makes up an estimated ~10% of total reserves. Exposure is real but cushioned by yield-bearing T-bills.

[See Appendix for more insights](#)

Leverage, Dilution, and the "Panic Zone"

This is where the rubber truly meets the road; the point at which capital structure theory collides with real-world stress. Every structure, no matter how elegantly designed, has a pain threshold. At the moment when resilience is tested the true strength of the financial architecture is revealed. The strain becomes unmistakable as interest payments slip beyond serviceable levels, refinancing costs spike, equity issuance turns non-accretive, and boards begin to question the Bitcoin thesis itself.

To understand this pain threshold in more detail, we examined:

- Convertible bond terms: maturity, interest cost, convertibility triggers
- Share issuance prices vs. current stock price
- Debt service costs vs. core business income

Insights:

Strategy is protected — long-dated debt, most tranches issued when MSTR stock was >\$600, with BTC bought below \$30k. Strategy's current average Bitcoin purchase price is \$73k.

Weaker firms (mining-heavy or equity-dependent) are vulnerable to:

- Rising fiat rates (cost of capital rises)
- BTC stagnation (no asset growth)
- Falling stock prices (equity raise becomes toxic)

What Is the Real Risk?

Risk is multifaceted when it comes to this strategy. On the one hand, there is risk associated with the specific approach of these companies, while on the other we have broader market risks. To form a complete picture of the potential risks associated with this strategy, we need to understand both of these risk factors. On a corporate level, the right approach can minimize the risk involved in these strategies. However, most Bitcoin Treasury companies have one of two problems:

1. **They misunderstood the asset:** They thought BTC was a hedge or a marketing tool, not realizing it behaves more like volatile venture equity with deep cycles and structural liquidity sensitivity.
2. **They misunderstood the structure:** They layered BTC exposure on top of weak balance sheets, unstructured financing, or short-dated debt.

Strategy, on the other hand, locked in long-dated, low-cost capital and embraced the identity of a Bitcoin-leveraged company. In doing so, it created synthetic upside without the operating burden of running an exchange, mining operation, or protocol.

The market increasingly treats these companies not as businesses, but as BTC proxies with different levels of embedded leverage. In that world, only the best-structured balance sheets survive.

Macro risks

On the macro level, the risk is harder to control, but it can be anticipated. Rising interest rates, Bitcoin price stagnation, equity drawdowns and regulatory crackdowns could have a significant impact on Bitcoin treasury strategies.

Break Condition	Impact on BTC Treasury Strategy
Rising fiat interest rates (real yield ↑)	Increases cost of leverage; amplifies negative carry
Bitcoin stagnates (flat price over 2–3 years)	Conviction erodes; equity issuance becomes non-accretive
Equity drawdowns (MSTR-style firms)	Dilution risk spikes; market beta turns negative
Regulatory crackdown (GAAP, Basel III, etc.)	Balance sheet friction; liquidity stress on corporate BTC
Alternative yield products dominate	BTC loses treasury appeal versus tokenized RWA or stables

If conditions turn, most of these companies are forced to face three bad options:

1. **Dilute heavily** to raise cash.
2. **Sell BTC** — capitulating on the core strategy.
3. **Hope and hold** — praying for the next bull run.

HISTORICAL CONTEXT & ANALOGIES

What Generational Wealth Can Teach Us About Bitcoin on Balance Sheets

This report has taken a deep dive into specific Bitcoin treasury companies, risks and financial health. However, on a core level, this strategy isn't as novel as it looks. If you abstract away the digital layer, it follows a centuries-old wealth pattern:



The Land & Property Playbook

The same strategy we currently see with Bitcoin has played out many times before, most notably in the land and property market. History is full of families and companies that built generational wealth through leveraged real estate acquisition:

- **U.S. Industrialists (1900–1950s):** Borrowed from banks to buy farmland, timberland, and oil-rich plots.
- **Japanese Zaibatsu & Korean Chaebols:** Used property accumulation to anchor empire-building.
- **Post-war Europe:** Fiat inflation eroded currency; landowners saw their debt melt while asset prices surged.
- **NYC / London real estate dynasties:** Many still exist today, built on debt-funded urban land bought before World War II.

What all of them had in common:

- The asset was scarce and durable.
- The capital was **cheap** (low nominal rates or inflation-debased debt).
- The asset could produce yield: rental income, agriculture, mining, or development rights.
- The holding period was long — sometimes generational.

Key lesson: Scarcity + leverage only works if the asset yields or the debt is survivable through downturns.

Bitcoin passes the first two tests: it is provably scarce and capital has been historically cheap. But does it pass the third?

Why No One Did This With Gold

Gold is the obvious analog. It's scarce, non-sovereign, and widely held as a reserve asset. So why didn't anyone borrow fiat to build a "Gold Treasury company"?

The answer lies in three limitations:

1. **No yield.** Gold doesn't produce income. It's negative carry (storage costs, no cashflow).
2. **Hard to store.** Institutional-grade custody is expensive and logistically complex.
3. **Hard to move.** Cross-border transactions require physical shipment or trust in paper gold wrappers.

In short, gold is **hard to finance** because the opportunity cost is high, and the mechanics are cumbersome. Even gold ETFs didn't change that dynamic — they improved access but didn't unlock yield.

Negative carry + zero productive use = no historical carry trade

This is one reason leveraged gold strategies are rare and tend to be short-term macro trades (via futures or miners), not balance sheet restructurings.

And while Bitcoin, like gold, is non-yielding, it is also several characteristics that make it fundamentally different. Bitcoin is:

- **Digitally native**
- **Globally transferable in seconds**
- **Custodied programmatically**
- **Collateralized in DeFi and CeFi markets**
- **Tradable 24/7**

These features matter: they make Bitcoin usable in structured finance, allowing it to be lent, posted as collateral, tokenized, or split into fractional interests, and, in future iterations, potentially paired with yield-generating wrappers.

And while Bitcoin is not yet productive digital capital, the architecture is being built. Think CME basis, liquidity provisioning, rehypothecation, or even long-dated BTC-denominated bonds.

⚠️ The missing piece is reliable, scalable yield - without credit risk or moral hazard

Until that exists, Bitcoin remains stuck in “speculative hard asset” mode. But history suggests that when a scarce asset becomes yield-bearing, it gets re-rated not just as an investment — but as infrastructure.

CARRY TRADE PARADIGM: TRADFI VS. BITCOIN

Another interesting mental model for understanding the Bitcoin Treasury strategy is the carry trade — the foundational arbitrage of global macro finance.

In the FX world, carry is a bet on interest rate differentials. In the Bitcoin world, it's a bet on scarcity versus solvency, and one with much higher stakes.

TradFi Carry Trade: A Risky Game With Yield Cushion

The traditional fiat carry trade involves borrowing a low-yield currency (e.g., Japanese yen), converting it to a high-yield currency (e.g., US dollars), and investing the proceeds to capture the interest rate spread.

Key features:

- **Positive carry:** You earn the yield differential as long as FX rates don't move against you.
- **Hedging optionality:** You can hedge FX risk (via forwards) or stay unhedged for more upside.
- **Macro sensitivity:** Carry trades are crushed when volatility spikes or central banks shift unexpectedly.

In a classic carry setup, you get paid to wait—so long as liquidity stays ample and policy remains predictable. By contrast, the Bitcoin Treasury approach is built on very different mechanics: organizations borrow in fiat (via bonds, loans, or equity issuance) to buy Bitcoin—a non-yielding, volatile asset—and then wait for price appreciation. Unlike an FX carry trade, there's no yield cushion, no neutral carry, and no risk-parity ballast.

This is a negative-carry trade, wholly dependent on capital gains. Economically, it looks less like traditional carry and more like long-duration venture equity with mark-to-market volatility; a leveraged long-gold position without the credibility of physical reserve status; and a speculative macro bet on monetary debasement, scarcity premia, and the broader adoption of digital assets.

Characteristic	FX Carry Trade	BTC Treasury Strategy
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Asset being bought	Yielding fiat (e.g., USD)	Non-yielding BTC
Financing currency	Low-rate fiat (e.g., JPY, CHF)	Mid-to-high-rate fiat (USD)
Carry (yield differential)	Positive	Negative
Liquidity	Deep, mature, centrally cleared	Growing but fragmented (CEX/OTC/DeFi)
Volatility	Low (FX pairs)	High (BTC is structurally volatile)
Hedging tools	Yes (forwards, options)	Yes, but limited and expensive (options, futures)
Yield on asset	Yes (interest rates)	No (unless paired with wrappers or DeFi)
Typical leverage	10–30x (macro hedge funds)	1–5x (corporates via bonds/equity)
Market regimes	Carry works in low vol, stable macro	BTC strategy works in bull markets, liquidity surges

Why the BTC Carry Is So Dangerous — And So Asymmetric

When a traditional FX carry trade turns, you forfeit the spread and take currency losses, but central banks, liquidity facilities, and forward markets often cushion the blow. By contrast, when the Bitcoin “carry” breaks, the mechanics turn against you at once: your cost of capital rises; BTC stalls or declines; your stock sells off, making any equity raise sharply dilutive; debt rollover windows shut; and, worst of all, selling core BTC reserves all but signals failure. There is no lender of last resort here—no circuit breaker, no refinancing facility—so the risk is binary and reflexive.

The Bitcoin strategy requires conviction through volatility without any income to cover your downside.

The issue isn't just that Bitcoin doesn't yield but that it requires unwavering conviction through extreme volatility, offering no income to cushion the downside. That's precisely why most Bitcoin treasury strategies are unlikely to withstand a full credit cycle.

SYSTEMIC IMPLICATIONS

Bitcoin Treasury strategies are not just balance sheet decisions. They alter how capital flows through the crypto ecosystem, how corporate governance responds to volatility, and how financial markets begin to price exposure to a non-sovereign and programmable reserve asset.

This is about more than a few companies taking a bet. It's about a structural experiment in capital formation that brings key implications to consider for Bitcoin itself, corporate finance, and ultimately, for broader financial markets.

Implications for Bitcoin Itself

1. Structural Demand on the Margin

Each BTC Treasury participant creates forced marginal demand as they are buying BTC not for trading or payments, but for permanent balance sheet inclusion. This has several implications on the market, such as:

- It creates supply absorption during bull cycles
- It strengthens “digital gold” narrative
- It transforms BTC from trading asset into strategic reserve collateral

However, it is important to consider that this demand is conditional. If financing costs rise or prices stagnate, demand evaporates.

Forced Sellers = Volatility Amplifiers

Most BTC Treasury strategies are funded, not free. If debt rolls over or stock prices collapse, BTC becomes the only liquid asset to sell. In a liquidity crunch, these firms may turn from floor builders into price accelerants.



2. Narrative Risk

Bitcoin has developed a strong institutional demand narrative in the past year. If early BTC Treasury firms (esp. Strategy) falter or unwind, it could damage the broader institutional thesis.

- Institutional allocators are narrative-sensitive.
- Bitcoin-as-collateral is stronger than Bitcoin-as-PR-stunt.

In such a scenario, it is a fair assumption that Bitcoin will survive, but its perception as a treasury asset could be fatally wounded.

Implications for Corporate Finance

The more groundbreaking implications of this strategy are on corporate finance, as there is a fundamental change in how balance sheets are managed.

1. New Treasury Archetype Emerges

Historically, corporate treasuries optimize for **capital preservation, liquidity and Yield**. The Bitcoin treasury strategy flips that: prioritizing scarcity, convexity, and duration over cashflow.

This sets a precedent: speculative capital structure as strategic positioning, not just risk hedging.

2. CFOs Face a New Strategic Paradigm

Balance sheet management has evolved into a high-stakes exercise in competitive positioning.

Today's capital allocation decisions extend far beyond the traditional playbook: Bonds, Bitcoin, Share Buybacks, Stablecoin Reserves; each option carries distinct implications for risk, liquidity, and signaling.

Risk officers are now tasked with modeling Bitcoin's volatility, cross-asset correlations, and potential balance sheet impacts—introducing a new layer of complexity to enterprise risk management.

And while boardroom conversations are shifting toward Bitcoin treasury strategies, compliance teams often see their organizations as unprepared, either culturally or operationally, to become a proxy trade for Bitcoin.

Implications for Financial Markets

Adopting Bitcoin as a treasury asset is changing the dynamics between traditional financial markets and cryptocurrency markets. Once BTC sits on corporate balance sheets, share prices start tracking coin moves, financing terms absorb asymmetric payoffs, and rulemakers get pulled into the plumbing. What began as cash management now tugs simultaneously on equities, bonds, and oversight. While the implications of this are still speculative, there are several key implications to consider.

1. Equity Pricing Becomes BTC-Tied

As seen with Strategy, equity markets treat Bitcoin-heavy companies as synthetic BTC derivatives:

- MSTR trades with >2x BTC beta
- Debt pricing reflects BTC upside convexity
- Market cap = BTC holdings + speculative premium

Other firms face similar dynamics. Their cost of capital becomes Bitcoin-sensitive, even if their revenues aren't.

2. Credit Markets Adjust

Convertible bonds issued to fund BTC purchases have begun to price in:

- BTC volatility

- Stock dilution risks
- Optionality value

In essence, bondholders are writing BTC volatility risk into fixed income instruments. This is entirely novel. Bitcoin is now embedded in TradFi **credit spreads**.

3. Regulatory Knock-On Effects

With public companies holding BTC and issuing BTC-sensitive securities:

- SEC/GAAP must adapt accounting rules
- Bank regulators may revisit capital adequacy for BTC-backed exposures
- Rating agencies must build BTC sensitivity into models

This isn't "crypto company" territory anymore. It's entering the bloodstream of capital markets.

Conclusion: Digital Capital or Digital Delusion?

The first wave of Bitcoin treasury adopters—roughly 2020 to 2024—was an opening act powered by cheap fiat financing, QE-boosted equities, and a rebellious monetary narrative. Many of these firms misunderstood the asset, the structure, or the macro. Most won't make it through a full credit cycle. Yet that does not doom the strategy. As with any capital innovation, the winners are rarely first; they are the versions that adapt, absorb stress, and evolve with the market.

What comes next will look different. The path forward demands institutional-grade BTC yield instruments, accounting that reflects fair value while smoothing volatility, and governance frameworks that treat BTC treasury exposure as a managed risk, not a slogan. As these pieces fall into place, we should expect fewer companies betting the franchise on an all-in BTC stance and more hybrid approaches—measured allocations in the low-double-digits paired with tokenized treasuries, stable-reserve baskets, or BTC-linked structured notes that deliver a long bias with controlled downside.

At the heart of the shift lies a simple truth: idle BTC on a corporate balance sheet is not a scalable strategy in a rising-rate world. To justify permanent placement—especially when financed with debt—Bitcoin must graduate from digital property to digital capital. That means earning yield without handing over the keys through full rehypothecation, generating income from infrastructure participation and settlement services, and functioning as collateral in deep, low-risk lending markets. Like land that becomes economically meaningful only when developed, Bitcoin must do something.

Seen this way, the Bitcoin Treasury strategy is the digital reincarnation of a familiar playbook: borrow fiat to acquire a scarce asset and hold through the noise. But the differences are material—the asset is volatile, the native yield is (for now) zero, the exit path is uncertain, and the conviction required is unusually high. Strategy distinguished itself by engineering the exposure like a capital allocator—using long-dated financing, asymmetric timing, and shareholder alignment to create a synthetic BTC derivative inside a public vehicle. That is structure, not luck. Even so, no structure can win alone; the asset must mature.

If Bitcoin remains inert, the ceiling on this approach is already visible: it will work for a few, in narrow windows of liquidity, while the rest become forced sellers. If Bitcoin becomes productive—through yield-bearing wrappers, validator-like revenues, insurance and settlement rails, or innovations yet to be invented—the strategy can scale into a new era of

balance-sheet engineering rather than a violent footnote in corporate finance. The difference, ultimately, will come down to time, yield, and conviction.

About the author



Patrick Heusser - [Head of Lending \(Sentora\)](#)

Patrick is a seasoned investment banker, trader, and portfolio manager with over two decades in global interest-rate markets. His core expertise lies in risk management, yield-curve construction, and portfolio design, complemented by deep proficiency in quantitative analytics and cash-management strategy. An early adopter of digital assets, Patrick now applies his rigorous market insight to building robust lending and trading solutions across both traditional finance and crypto markets.

Appendix I

Companies Holding Bitcoin as Corporate Treasury Reserves (Aug 2025):

Public Companies Holding Bitcoin Reserves

The following public companies have Bitcoin on their balance sheet as a strategic reserve (values are approximate and current as of the dates indicated):

Company Name	Amount
Strategy Inc.	628,791
MARA Holdings Inc.	50,639
Twenty One Capital (XXI)	43,514
Bitcoin Standard Treasury Company	30,021
Riot Platforms Inc.	19,225
Trump Media & Technology Group Corp.	18,430
Metaplanet Inc.	17,595
Galaxy Digital Holdings Ltd	17,102
CleanSpark Inc.	12,703
Coinbase Global Inc.	11,776

Private & Non-Public Companies Holding Bitcoin Reserves

Many privately held firms, family offices, and other entities have also accumulated Bitcoin as a **treasury reserve**. Below are notable examples (excluding ETFs, custodians, or dedicated funds):

Here's the data from the second image in table format:

Company Name	Amount
Block.One	164,000
Tether Holdings Ltd.	100,521
Stone Ridge Holdings Group	10,000
SpaceX	8,285
The Tezos Foundation	2,903
Ionic Digital Inc.	2,520
Zap Solutions Inc.	1,500
GI GA Inc.	1,129
Melanion Digital	342
Angel Studios Inc.	303

Note: The above lists exclude Bitcoin Exchange-Traded Funds, investment trusts, dedicated crypto trading firms, and custodians. They focus on **operating companies** (public or private) that have **adopted Bitcoin as a treasury reserve asset** rather than for active trading or customer inventory. This emerging corporate strategy – often dubbed a “Bitcoin standard”

for treasuries – is evolving rapidly. By mid-2025, dozens of companies worldwide (nearly 150 public/private firms) have collectively accumulated substantial BTC holdings, signaling growing institutional confidence in Bitcoin’s role as “digital gold” in corporate finance.

Bitcoin Treasury Holdings vs Total Assets (Mid-2025)

The following data includes Q1 2025 balance sheets and Bitcoin holdings at June 2025. We calculate the share of each company's balance sheet comprised of BTC (valued at current mid-2025 prices, ~USD 100k per BTC):

Company	BTC Held	BTC Market Value (~Jun 2025)	Total Assets (Q1 2025)	BTC / Total Assets
Strategy (Public)	592,345 BTC	~\$59.26 billion	\$43.9 billion	~135% (BTC exceeds total assets)
Marathon Digital (Public)	48,237 BTC	~\$5.03 billion	\$6.44 billion	~78%
Riot Platforms (Public)	19,211 BTC	~\$2.00 billion	\$3.71 billion	~54%
Tesla, Inc. (Public)	11,509 BTC	~\$1.20 billion	\$125.11 billion	~0.96%
Block, Inc. (Public)	8,485 BTC	~\$0.884 billion	\$36.40 billion	~2.4%
Coinbase Global (Public)	9,000 BTC	~\$0.74–0.96 billion (approx)	\$21.73 billion	~4.4%
Tether Holdings (Private)	100,521 BTC	~\$10.47 billion	\$149.3 billion (reserves)	~7.0%
MassMutual (Private)	3,500 BTC	~\$0.365 billion	~\$312 billion	~0.12%
Block.one (Private)	164,000 BTC	~\$14.59 billion	N/A (not publicly disclosed; BTC constitutes the vast majority of assets)	~95% (est.)

Sources: Company filings and reports for Q1 2025 balance sheets, and Bitcoin treasury data from BitcoinTreasuries/Bitbo (updated May 2025) for holdings and market values. The BTC-to-total-assets ratio is computed by dividing the current USD value of BTC holdings by each company's total assets. (For private firms like Block.one with no public financials, the ratio is an estimate based on the dominance of BTC on their balance sheet.) Each figure illustrates how significant Bitcoin is relative to the size of the firm's balance sheet – ranging from **Strategy's ~135%** (Bitcoin value exceeding its total assets) and **Marathon's ~78%**, down to **Tesla's ~1%** and **MassMutual's 0.1%**. This comparison underscores that for **Bitcoin-focused firms (e.g. "Bitcoin Treasury" companies like Strategy/Strategy)**, BTC makes up a large portion of assets, whereas for diversified or traditional companies (Tesla, MassMutual), BTC remains a very small fraction of total assets.

Appendix II

Comprehensive Overview of Strategy's (Previously MicroStrategy) Capital Structure

How Bitcoin Purchases Were Financed:

Strategy (formerly MicroStrategy) executed a unique capital allocation strategy to build its Bitcoin treasury holdings (~607k BTC as of mid-2025). The funding mix includes:

1. Convertible Bonds:

- **2025 Convertible Senior Notes:** \$650M issued at 0.75% coupon, due December 2025.
- **2027 Convertible Senior Notes:** \$1.05B issued at 0% coupon, due February 2027.
- **2030 Convertible Senior Notes:** \$2B issued at 0% coupon, due 2030, convertible at ~\$433/share.
- **Total convertible debt:** ~\$3.7 billion.

2. Secured Senior Bonds:

- **2028 Senior Secured Bond:** \$500M at 6.125% interest, secured by Strategy's Bitcoin holdings.

3. Preferred Stock Issuances:

Strategy issued four distinct classes of perpetual preferred shares, creating a structured yield curve tied to their Bitcoin collateral:

Preferred Class	Nickname	Amount Raised	Yield	Dividend Structure	Convertibility
STRF	Strife	~\$1B	~10%	Fixed cumulative	No
STRC	Stretch	~\$2.47B	~9-10%	Variable monthly	No
STRK	Strike	~\$1B	~8%	Fixed quarterly	Yes (to equity)
STRD	Stride	~\$1B	~10-11%	Fixed quarterly	No

- **Total preferred equity:** ~\$5.5 billion
4. **Common Equity Issuances (ATM Programs):**
- Continuous at-the-market (ATM) equity offerings raised additional cash to fund dividends and Bitcoin purchases. Recent ATM issuance (STRD-related) supports dividend payments.

Current Capital Structure (Balance Sheet Snapshot, mid-2025):

Capital Type	Amount (approx.)	Remarks
Convertible Bonds	Yielding fiat (e.g., USD)	Zero or low-coupon rates, potential dilution if converted
Senior Secured Debt	\$500 million	Higher coupon (6.125%), collateralized by BTC holdings
Preferred Equity	~\$5.5 billion	High yield (~8-11%), varying risk profiles
Common Equity	Market cap ~\$20B	Highly volatile, correlated with Bitcoin price
Bitcoin Holdings	607k BTC (\$71 billion)	Core collateral asset
Enterprise Software Revenue	~\$460M annual	Stable but insufficient alone to fund dividends

Key Risks and Triggers to Watch:

1. Dividend Payment Sustainability:

- Dividends are largely funded via new capital raises (preferred/ATM equity).
- Limited cash flow from the SaaS business to independently cover high dividend obligations.
- **Trigger:** Difficulty raising new capital could force Bitcoin liquidation.

2. Interest Rate Sensitivity:

- Rising interest rates increase refinancing costs significantly.
- STRC's variable dividend rate directly impacted by SOFR increases.
- **Trigger:** Rising SOFR or market yields could increase financing burden.

3. Bitcoin Price Volatility:

- Bitcoin value drops sharply, threatening collateral coverage.
- Converts may not be triggered, leaving Strategy with heavy refinancing burden.
- **Trigger:** Bitcoin sustained below critical levels (~\$30-40k) could prompt margin calls or forced asset liquidation.

4. Equity Dilution and Convertibility Risks:

- Convertible notes create dilution potential, pressuring common stock valuation.
- Heavy reliance on ATM equity issuance could severely dilute common shareholders if BTC price remains depressed.
- **Trigger:** Persistent low share price reduces capital market access and increases dilution risk.

5. Regulatory and Accounting Risks:

- Changes in accounting rules or regulatory frameworks around Bitcoin or digital asset holdings could complicate capital structure management.
 - **Trigger:** New regulatory guidance that imposes additional disclosure or capital requirements.
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Summary Remarks:

Strategy's capital structure is uniquely structured around Bitcoin as core collateral, featuring an overcollateralized position against its debt, significantly mitigating traditional leverage risks. Preferred equity yields reflect substantial risk premiums driven by Bitcoin volatility, limited core business cash flow, and dependence on capital markets. Investors should closely monitor refinancing capabilities, dividend funding strategies, Bitcoin collateral coverage ratios, and broader macroeconomic indicators (interest rates, BTC volatility).

Strategy's innovative approach provides significant upside potential under favorable market conditions but introduces structural dependencies requiring rigorous risk management and ongoing market vigilance.