UNLOCKING OPPORTUNITIES IN LISTED BLOCKCHAIN EQUITIES

PART 5: DIGITAL ASSET TREASURY COMPANIES

ANALYST

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THEMES

As one of the largest issuer-sponsored research firms, we are known for our bottom-up work on individual stocks. However, our thinking does not stop at the company level. Through our regular dialogue with management teams and investors, we consider the broad themes related to the companies we follow. Edison themes aims to identify the big issues likely to shape company strategy and portfolios in the years ahead.

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Digital assets

Unlocking investment opportunities in blockchain equities

The digital assets landscape has matured considerably, with clearer regulatory frameworks emerging globally and institutional adoption accelerating. This creates a compelling opportunity for investors to gain exposure through listed blockchain equities, which offer distinct advantages over direct cryptocurrency holdings. The diversity of business models in the sector is striking. From Bitcoin miners providing leveraged exposure to the underlying asset while generating cash flows and expanding into other revenue streams, to exchanges and platforms benefiting from growing trading volumes and expanding service offerings. Payment providers are capitalising on the explosive growth in stablecoin usage, while tokenisation platforms are positioning themselves at the forefront of what could be a fundamental reshaping of financial markets.

Why consider digital asset equities?

We believe that investors seeking exposure to the digital asset theme should consider an investment in listed blockchain equities alongside an investment in cryptocurrencies for several reasons.

Firstly, the link between the commercial success of blockchains and on-chain applications and the price of their native utility tokens is not straightforward. Secondly, tokens, which do accrue protocol fees but are not registered as securities, may be subject to increased regulatory scrutiny. Finally, listed equities provide exposure to the theme not just from a plain beta exposure to the underlying asset but from distinct business models based on fees, income from liquidity provisioning or non-directional trading, and on-chain rewards (eg staking or mining rewards and decentralised finance, DeFi, income), among others.

In part 1 of our five-part series covering the opportunities in listed blockchain equities, we summarised the digital asset market backdrop to provide some context to the equity stories of listed blockchain businesses. In part 2, we delved into one of the prominent groups of listed blockchain equities: crypto miners, and in particular Bitcoin miners. In part 3, we focused on providers of digital asset market infrastructure, including exchanges, brokers, providers of custody services and exchange-traded product (ETP) issuers. In part 4, we explored companies offering exposure to two impactful digital asset themes: tokenisation of assets and blockchain-based payments. In our final part, we discuss the pros and cons of investing in digital asset treasury companies.

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Companies mentions in this report:

Advanced Blockchain*
B HODL
Bitcoin Group
Bitmine Immersion Technologies
Capital B (previously The Blockchain Group)
Catedra Blockchain
Coinsilium Group
Falconedge
Forward Industries
K33
London BTC Company
MARA Holdings
Metaplanet
Sharplink Gaming
Strategy (previously MicroStrategy)
Tesla
The Smarter Web Company
Ton Strategy
Valereum

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Part 5: Digital asset treasury companies

Recent years (and most notably 2025) have been marked by the growing popularity of digital asset treasury strategies involving the build-up of corporate reserves in Bitcoin (BTC) and major altcoins.

For some businesses (eg Tesla) it is meant to diversify its corporate liquidity and hedge it against inflation. Others have turned it into a strategic pillar, regularly buying BTC or other digital assets, often funded via the issue of straight equity, convertible debt, preferred shares or a private investment in a public equity (PIPE).

The most well-known example in this respect is **Strategy** (previously MicroStrategy) which amassed a sizeable stockpile of close to 641k BTC as of end-September 2025 (c 3.1% of total BTC ever to be in existence) for a total cost of $47bn (or c $74k per BTC).

In recent months, the number of listed companies pursuing a digital asset treasury strategy (exclusively or alongside other business operations) has picked up significantly, and the current universe includes, to name just a few, US-listed names such as **Catedra Blockchain (Bitcoin), Sharplink Gaming (Ether), Bitmine Immersion Technologies (Ether), Forward Industries (Solana)**, **Ton Strategy (Toncoin),** among many others. Several bitcoin miners are also significant BTC holders (eg **MARA Holdings**). In the UK, the company worth noting is the LSE-listed **London BTC Company,** as well as several Aquis-listed companies: **B HODL**, **Coinsilium Group, Falconedge, The Smarter Web Company** and **Valereum.** Continental European names include **Capital B** (formerly known as the Blockchain Group)**, Advanced Blockchain** and **K33**, among others. **Advanced Blockchain**, a Berlin-based investor and innovation partner specialising in the blockchain industry, has recently unveiled its new strategy based on five pillars, one of which is an active digital asset treasury strategy. We also note that the Frankfurt-listed **Bitcoin Group**, which is in the process of organisational realignment and the development of a new trading platform, is also a significant digital asset holder. A prominent Asian treasury company is **Metaplanet**.

Advantages of treasury company investments

There may be certain advantages of investing in a digital asset treasury company compared to holding the underlying asset directly or through an ETP.

Some institutional investors cannot invest directly in the underlying asset due to mandate, custody and tax constraints, but can use a listed (often geared) proxy. Even for many retail investors, listed equities provide an easier access to the underlying assets, unconstrained by regional and product restrictions, and some of them may act as underlying assets for derivatives or can be subject to margin trades.

Exposure to digital asset treasury companies via fixed income (convertible) or hybrid (preferred securities) may appeal to institutions seeking downside protection.

An investment in a treasury company may also offer certain tax advantages over holding the underlying asset directly in some jurisdictions.

Furthermore, some companies deploy active treasury management, offering potential alpha from borrowing/lending and the use of derivative strategies (eg covered calls), as well as the use of digital assets for income generation from, for example, staking, yield strategies across DeFi and operating validator nodes on the blockchain network. Listed digital asset ETPs/ETFs usually have more limited options to generate income from their digital asset holdings.

Potential disadvantages of treasury company investments

However, there are also some potential disadvantages of gaining exposure to the asset via a treasury company.

Even if the company holds digital assets via a separate, fully owned subsidiary, it does not provide the same bankruptcy-remote special-purpose vehicle structure as physical ETPs. Shareholders do not have a direct claim over the company's digital asset holdings, although we note that, as long as the digital assets are properly custodied, an administrator would have all the normal powers set out in the insolvency legislation to maximise the value of these assets for creditors in line with the insolvency waterfall. Investors in treasury companies take on company-specific risks around dilution, stock overhang (eg when PIPE investments are admitted to trading), debt, governance, capital allocation and accounting practices.

Furthermore, digital asset treasury companies may trade at premiums or discounts to their net asset value (much like OTC-traded digital asset funds), resulting in a tracking error and potentially higher volatility compared to the underlying asset. That said, if they successfully combine exposure to the underlying assets with income-generating activities based on their treasury holdings, they might as well trade on average at a premium to NAV (reflecting the incremental expected cash flow from these activities).

Some treasury companies may allocate part or all the yield generated on its holdings to corporate purposes rather than accrue it fully within their treasury strategy. ETPs can provide a simpler and more transparent setup for distributing these rewards.

Finally, major listed digital asset ETPs/ETFs are characterised by low expense ratios (eg the iShares Bitcoin Trust ETFs charges only a 0.25% management fee), which may be difficult to compete with for some treasury companies.

We had the opportunity to speak with **Hewie Rattray, CEO of London BTC Company,** to delve into the crypto treasury theme:

> *'Holding Bitcoin or other digital assets on a corporate balance sheet can be powerful, but on its own it's a blunt instrument, essentially a leveraged bet on price. The real opportunity lies in combining a crypto treasury with productive operating activities that create incremental value beyond simple asset exposure. For example, companies can deploy their digital assets strategically: using them as collateral for low-cost financing or integrating treasury holdings into broader business ecosystems, such as mining or custody, each of these layers converts passive treasury appreciation into recurring revenue, while aligning shareholders with the growth of the wider crypto economy. Ultimately, the goal should be to optimise 'Bitcoin per share,' not just sterling or US dollar earnings per share, capturing both the financial and strategic benefits of sound digital-asset management. A thoughtful treasury policy, paired with an underlying cash-flow business, allows investors to access crypto upside with operational substance rather than pure speculation.'*

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