Investment Memo: Acropolis

Acropolis offers the first global Bitcoin Treasury Solution built on Multi-Institution Custody

Founding Story

Acropolis was founded with a mission to simplify and scale corporate Bitcoin treasury adoption worldwide. The team recognized that as Bitcoin gained traction as a modern treasury asset, businesses would need an accessible, cost-effective solution supported by expert guidance. Acropolis addresses this need by providing an Outsourced Bitcoin Treasury Team, ensuring businesses can adopt Bitcoin seamlessly without the overhead of hiring in-house expertise.

The team foresaw the rising demand for Bitcoin as a corporate treasury asset and built a scalable, repeatable process to support businesses in navigating this transformative shift. The Acropolis founding team includes leaders from eBay's treasury team, the Head of Digital Assets who enabled the first UK pension fund Bitcoin allocation at Cartwright, the Co-Founder of Onramp Bitcoin, and professionals with deep experience in wealth management and big four accounting firms. This collective expertise ensures clients receive best-in-class services and advisory at every stage.

Acropolis' services cover every aspect of Bitcoin treasury management, including secure custody through Onramp's Multi-Institution Custody (MIC), tailored accumulation strategies, capital markets financing support, investor relations and stakeholder engagement, employee incentives, and specialized tax and accounting solutions.

Backed by Early Riders, a Bitcoin-denominated venture fund, Acropolis exists to scale corporate Bitcoin treasury adoption globally. As businesses face the challenges of inflation and monetary expansion, Acropolis empowers businesses to protect and grow their reserves with Bitcoin. Acropolis stands at the forefront of this financial evolution, empowering companies to capitalize on the future of corporate finance.

Product and Services

As adoption grows among individuals and executives within public and private enterprises, businesses will recognize Bitcoin's value and look for exposure, but may not be experts in how to incorporate Bitcoin into their treasury strategy. As this shift occurs, companies will increasingly seek guidance on how to integrate Bitcoin across the CFO office, creating a growing demand for outside experts to support and advise them.

For many organizations, there will need to be a focus on education and strategic planning—helping organizations understand why and how to accumulate Bitcoin. Once a company decides to adopt Bitcoin, Acropolis provides a suite of foundational services, including: buy/sell with institutional liquidity, Multi-Institution Custody, insured balances, Bitcoin continuity planning, and various open-sourced Bitcoin treasury tools (e.g., BTC per share calculators, forecasting tools).

For businesses requiring a higher level of support, Acropolis' *Ascent* tier of service includes "Air Cover as a Service," which focuses on addressing objections to a Bitcoin strategy. Acropolis collaborates closely with executive teams and boards of directors to effectively communicate the value of Bitcoin and navigate any concerns or resistance, ensuring alignment and confidence in the adoption process. Additional Bitcoin treasury management services include tailored accumulation strategies, risk management, investor relations and stakeholder engagement, capital markets debt and equity financing strategies, biannual meetings with a dedicated account manager, and access to BTC collateralized loans and dollar lending.

For the most comprehensive suite of services, the *Olympus* tier offers everything from *Ascent* as well as quarterly meetings with a dedicated account manager, specialized tax and accounting support, Bitcoin based employee rewards (RBUs), Bitcoin payments with POS concierge onboarding, quarterly industry roundtables, multi-jurisdictional MIC custody, and no trading fees on buy / sell BTC transactions.

Acropolis' Bitcoin Treasury Solution is designed to meet the needs of both startups and established companies. The team provides strategies and support aimed at safeguarding balance sheets and driving stakeholder value. This includes expertise in Bitcoin treasury management, analyzing corporate cash flows, working capital seasonality, expenses, and capital expenditures. The team empowers businesses to refine their financial strategies and build enduring purchasing power through Bitcoin.

Market Overview

Secure custody of Bitcoin is the most foundational aspect of owning the asset—without proper management of private keys, the entirety of one's allocation and all the effort spent acquiring it, can be lost or stolen. Acropolis utilizes Multi-Institution Custody and recommends this solution for clients. Multi-Institution Custody is a solution where 3 custodians have private keys to Bitcoin, and 2 are needed to sign any Bitcoin transaction, while offering insurance on clients' Bitcoin balances. This solution secures against hacks, fraud, and the technical and operational burden of in-house key management—providing additional layers of security and convenience for the client. Furthermore, it allows clients to establish robust controls that corporate controllers, compliance teams, and CFOs can confidently sign off on. Acropolis is partnered with Onramp, pioneer of the MIC solution, to manage Bitcoin on behalf of the clients if they choose this path. This custody solution is unique to Acropolis, Onramp's exclusive treasury partner.

Currently, businesses are holding Bitcoin with a single counterparty custodian or using plastic hardware wallet devices via a collaborative custody setup. We suspect that as corporate Bitcoin treasury adoption continues to grow that businesses will develop a deeper understanding of the tradeoffs in these traditional custody models. Multi-Institution Custody allows for compliant risk mitigation from single points of failure while offering expert custody and key management.

Customers

Acropolis serves wide ranging corporations with large balance sheets seeking to benefit from superior short- and long-term asset management. This includes startup founders, including fintech and SaaS companies, requiring help structuring investments to optimize operational runway. Publicly traded companies that need strategies for regulatory compliance, reporting, and shareholder communication. Private enterprises, such as family-owned businesses and private equity-backed firms that would prefer to outsource this type of work.

Total Addressable Market
According to S&P Global Market Intelligence, publicly listed companies held $3.61 trillion in cash and equivalents and $2.84 trillion in short-term securities at the end of Q4 2023, totalling $6.45 trillion in liquid corporate assets (*Source: S&P Global Market Intelligence*).

Private companies, including small-to-medium businesses (SMBs) and mid-market firms, maintain similar cash-to-asset ratios to public companies, as suggested by research from the Reserve Bank of Australia (*Source: Stylised Facts | RDP 2016-03: Why Do Companies Hold Cash? | RBA*). However, the total cash held by private companies in dollar terms depends on the size of their collective asset base relative to public companies. While private firms are generally smaller on an individual basis, the sheer number of SMBs and mid-market firms globally indicates they hold a substantial portion of overall corporate liquidity.

Given this, we estimate private companies collectively hold 80% of the cash reserves of publicly listed companies, resulting in $5.16 trillion in private company liquid assets. When combined, the total corporate treasury market is valued at approximately $11.61 trillion.

We estimate that 20% of global corporate treasuries will ultimately be allocated to Bitcoin, representing $2.32 trillion in Bitcoin holdings. A significant portion of this allocation is expected to be outsourced, as companies seek expert guidance and secure custody solutions to manage their Bitcoin holdings effectively.

With advisory services generating average fees of 0.75% of treasury balances, this represents a $17.4 billion annual revenue opportunity for Acropolis. Additionally, Bitcoin's continued price appreciation and growing adoption present significant upside potential, positioning Acropolis to capitalize on this transformative shift in corporate treasury management.

Competition
As the exclusive treasury partner to Onramp, pioneer of Multi-Institution Custody, Acropolis is uniquely positioned to serve the growing adoption of corporate Bitcoin treasuries. The most direct competition to Acropolis for enterprise Bitcoin treasury services include Coinbase, Anchorage, Sound Advisory (Unchained), Casa Enterprise, and River. No other service offers access to Multi-Institution Custody with multiple qualified custodians, which Acropolis has accurately identified as the key barrier preventing corporate treasuries and their risk management teams from adopting Bitcoin as a reserve asset. Currently, custody solutions fall short of meeting adequate compliance requirements due to single points of failure, the operational risks of managing keys in-house, and the scaling challenges associated with onboarding (e.g., distributing hardware wallets to all customers). Some competitors depend on clients to understand and securely manage storage hardware devices, likely driving uncomfortable management teams to a single custodian (e.g., Coinbase) versus working directly with a Bitcoin-only provider and utilizing native multi-sig technology.

In addition to secure custody solutions, Acropolis offers unparalleled Bitcoin-focused advisory services, delivering the industry's premier Outsourced Bitcoin Treasury Team. Our experts provide comprehensive guidance across all facets of Bitcoin strategy, including custody solutions, accumulation planning, capital markets financing, investor relations, stakeholder engagement, employee incentive programs, Bitcoin payment integrations, cross-border trade, and specialized tax and accounting support. With over a decade of expertise in Bitcoin, treasury management, and corporate finance, Acropolis ensures clients securely manage and grow their Bitcoin reserves for the future.

Business Model

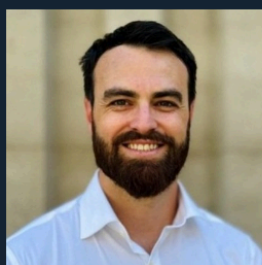
Acropolis provides tiered Bitcoin treasury management services tailored to clients' specific needs, with revenue primarily derived from annual fees based on assets under custody (AUC) and trading revenue from facilitated Bitcoin transactions. For higher-tier clients, Acropolis offers an expanded suite of services, including Bitcoin-collateralized loans, dollar lending programs, support for capital markets financing (debt and equity), and Bitcoin-based employee incentive programs designed to supplement or replace traditional RSU option pools. These premium services are accompanied by an incrementally higher AUC fee structure, which decreases annually to foster long-term client satisfaction and alignment.

Acropolis Bitcoin Treasury Solution	**Foundations** 50 BPS Annually Reducing 2 BPS Annually $2100 MIC Setup Fee	**Ascent** 75 BPS Annually Reducing 2 BPS Annually $2100 MIC Setup Fee	**Olympus** 100 BPS Annual MIC Fee Reducing 3 BPS Annually $2100 MIC Setup Fee
Buy / Sell BTC with Institutional Liquidity	✓	✓	✓
Multi-Institution Custody (MIC)	✓	✓	✓
Insured BTC Balances in MIC	✓	✓	✓
Ongoing Advisory, Education, & Research	✓	✓	✓
Business Round Tables & Private Events	✓	✓	✓
BTC Per Share Calculator & Financing Docs	✓	✓	✓
Continuity Planning & Policy Framework		✓	✓
Investor Relations & Stakeholder Engagement		✓	✓
Capital Markets Debt & Equity Financing		✓	✓
BTC Collateralized Loans and Dollar Lending		✓	✓
Biannual Strategic Reviews with Acropolis CIO		✓	✓
Specialized Tax & Accounting Support			✓
Restricted Bitcoin Units Employee Rewards (RBUs)			✓
Cross-Border Payments & Trapped Cash Solution			✓
Quarterly Strategic Reviews with Acropolis CIO			✓
Multi-Jurisdictional MIC Custody			✓
No Trading Fees on Buy / Sell BTC			✓

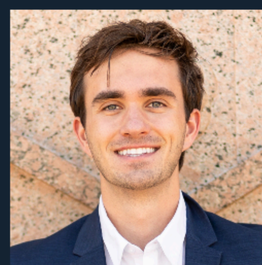
Funding Uses

Acropolis will leverage its funding to build on its early momentum. Priorities include driving business development efforts, expanding its reach across enterprises seeking outsourced Bitcoin treasury solutions and investing in advancing adjacent services built on Multi-Institution Custody technology. Additionally, funding will support operational enhancements, including streamlining onboarding processes and scaling service delivery to meet the growing demands of the Bitcoin ecosystem.

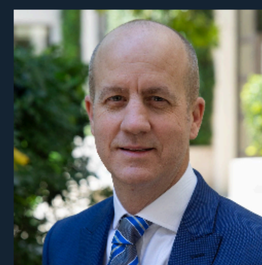
Founding Team



Chase Palmieri
Co-Founder & CEO



Mason Carter
Co-Founder & Head of Strategy



Glenn Cameron
Chief Investment Officer

Chase Palmieri, Co-Founder & CEO

Chase has extensive experience founding and managing businesses across diverse industries including consumer tech, B2B SaaS, adtech, and hospitality. As an early adopter of Bitcoin treasuries, dating back to 2018, Chase is a passionate advocate for Bitcoin's transformative role in corporate finance and creating shareholder value.

Mason Carter, Co-Founder & Head of Strategy

With prior experience in finance and treasury, Mason brings deep experience in Bitcoin, corporate finance, treasury management, equity research, and operational strategy to the team. Mason is also a principal at Early Riders.

Glenn Cameron, CFA, FMVA, Chief Investment Officer

Glenn is an investment professional with over 25 years of experience in portfolio management, institutional consulting, and corporate treasury solutions. At Cartwright, he established the Outsourced Corporate Treasury division, offering tailored advisory services to companies without dedicated treasury teams. A CFA Charterholder and FMVA, Glenn has a strong track record in asset allocation, private markets, and digital assets, including advising on the first Bitcoin allocation for a UK pension scheme.

Key Opportunities

There is significant demand for businesses to get exposure to Bitcoin efficiently while managing their working capital and long-term needs, though many are unsure of their optimal solution. With deep industry knowledge, Acropolis can offer advisory solutions to meet all client needs.

The mutual client introductions from other Early Riders portfolio companies, including Onramp and Flash will offer a seamless process and additional opportunities globally. We anticipate that larger companies and organizations will be highly sensitive to how Bitcoin is custodied, particularly as education improves. Multi-Institution Custody offers a more suitable solution compared to relying on a single custodian or the collaborative custody models currently available in the market while providing customizable controls that CFOs/Corporate Controllers can confidently sign off on.

Key Risks

Reputional

Acropolis must understand the needs of each of their customers, and offer services accordingly, by taking into account liquidity requirements, business performance under multiple stress tests, and the risk tolerance of each management team.

Regulatory / Educational

A tendency toward recency bias has led to reliance on primary, conventional custody solutions, despite their critical single points of failure and the lack of understanding regarding the tradeoffs of these custody models on the market.

Competition

Acropolis' main competition will come from existing providers of custodial services. While Multi-Institution Custody can be replicated by other custodians in the space, doing so would require significant legal effort. If CFOs become more proficient in Bitcoin treasury, demand for premium services may decrease however there would likely be new, emergent products that our clients would need.

Traction

Acropolis began onboarding clients in 2024. The company has seen a notable surge in traction, with a significant increase in client interest and the formation of key partnerships, highlighting its expanding influence in the Bitcoin treasury management arena. We've also strategically welcomed several skilled professionals from the institutional finance, investment management, and technology sectors to manage this growth, ensuring that the demand for secure and efficient Bitcoin treasury services continues to be met effectively. Through our initial client experiences, we've gained invaluable insights into improving our services.

Summary

Early Riders invested in Acropolis given the demand from businesses for comprehensive treasury advisory services and Bitcoin management. Many businesses want to focus on running their business, while outsourcing Bitcoin advisory services to experts. Early Riders believes Acropolis is a viable investment given the limited fixed costs, while also meeting substantial market demand from corporates and medium enterprises which should meaningfully increase in the coming years. With Multi-Institution Custody as its primary revenue driver, Acropolis can generate recurring revenue from day one. As the client base grows, Acropolis can expand its offerings by developing additional tech solutions to meet the evolving needs of its customers.

Early Riders & Acropolis

We anticipate significant collaboration between Acropolis and other Early Riders portfolio companies, leveraging the comprehensive suite of services offered by Acropolis given all Early Riders companies manage a Bitcoin treasury. We foresee Multi-Institution Custody collaboration with Onramp, as a way to strengthen investments in the broader Early Riders portfolio. We anticipate further collaboration with other portfolio companies as Early Riders continues to invest and build complementary services, creating a robust ecosystem of Bitcoin-focused services for enterprises.

Media & Podcast Content

New Foundations Podcast
The Inflation Illusion
Bitcoin Treasuries Podcast