GBC Research Anno

Advanced Blockchain AG

Advanced Blockchain

IMPORTANT NOTICE:

Please refer to the disclaimer/risk notice as well as the disclosure of potential conflicts of interest in accordance with § 85 WpHG and Art. 20 MAR starting on page 16.

Note in accordance with MiFID II regulation for research "Minor Non-Monetary Benefit":This research meets the requirements for classification as a "Minor Non-Monetary Benefit." Further details can be found in the disclosure under "I. Research under MiFID II."

GBC AG Investment Research

Advanced Blockchain AG*5a,11

From realignment to scaling

Industry: Technology, cryptocurrencies
Focus: Blockchain technology, DeFi, Web 3.0
Founded: 2017

Employees: 5 (in the AG), 1 (Incredulous Labs)
Headquarters: Berlin
Executive Board: Hatem Elsayed (COO), Maik Laske (CFO)

Advanced Blockchain AG is the first publicly listed company in Germany with an exclusive focus on investments, development, and incubation in the blockchain sector. Through its subsidiary Incredulous Labs Ltd. in Cyprus, the company makes targeted investments in innovative and disruptive blockchain solutions. The German parent company operates as a strategic holding. Its investment strategy is clearly positioned within the venture capital space, with a particular emphasis on decentralized finance solutions (DeFi) and decentralized infrastructures (DePIN). By concentrating on early-stage investments, the company secures a strategic advantage while fostering the growth of promising businesses. In doing so, Advanced Blockchain AG establishes itself as a leading player in the expanding blockchain ecosystem, offering investors attractive opportunities to benefit from the long-term potential of this technology.

GBC NAV Valuation	
Top 15 Portfolio Valuation	15m USD
GBC Latent Upside Valuation of 30%	19.5m USD
Valuation in EUR	16.68m €
Holding Costs*	1.32m €
NAV	**15.36m €**
Outstanding Shares	3.7m
NAV per Share	**4.15 €**

*For details, see page 13

Investment Case

- **Attractive Access for Investors:** ABAG provides investors with a unique listed opportunity to gain early-stage, broadly diversified exposure to Web3 and blockchain innovations, with a clear focus on future-oriented growth segments.
- **Credible Turnaround:** The new management has responded decisively to past governance issues, streamlined structures, and regained the trust of both investors and portfolio companies.
- **Unique Market Position:** As the only publicly listed Web3 investment platform in Germany, ABAG offers institutional and private investors exclusive access to a curated crypto venture portfolio.
- **Enhanced Transparency and Control:** The operational restart has brought significantly improved asset oversight, stronger compliance structures, and a modern risk management framework.
- **Scalable Growth Platform:** With a renewed strategic focus, leaner organization, and an expanding deal flow, ABAG is well positioned to capitalize early on new blockchain trends and generate long-term value.

Rating: Buy
Target price: €4.15 (previously: €5.58)

Share and key data

Xetra Price on 09.09.25 at 15:12	2.73 EUR
Symbol (GER)	BWQ
ISIN	DE000A0M93V6
WKN	A0M93V
Number of Shares (in millions):	3.70
MCap (in millions of €)	10.11
Market Segment	Scale
Fiscal Year End	31. Dezember
Accounting Standard	HGB

Shareholder Structure

Free Float	100%

Financial calendar

20.10.2025	AGM
22.10.2025	Half-Year Report 2025
24.11.2025	Eigenkapitalforum Frankfurt

Analysts

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Last GBC Research

Date: Publication / Target price / Valuation
22.04.2025: RS / 5.58 € / BUY
22.04.2025: RS / 5.58 € / BUY
20.11.2024: RS / 10.75 € / BUY
12.11.2024: RS / 7.00 € / BUY
15.07.2024: RS / 17.64 € / BUY
19.04.2024: RS / 17.64 € / BUY
** The above research reports can be accessed at www.gbc-ag.de**.

Completion: 18.09.2025 (16:30 Uhr)
Initial publication: 19.09.2025 (10:30 Uhr)

Price target valid until 31.12. 2026 at the latest.

*Catalog of potential conflicts of interest on p.17

EXECUTIVE SUMMARY

- Die Advanced Blockchain AG (ABAG) underwent a profound transformation in fiscal year 2024. The process centered on a complete management overhaul, the resolution of irregularities at the subsidiary Incredulous Labs Ltd., and the introduction of strict governance and control mechanisms. While the parent company's operational and financial performance in 2024 was shaped by significant one-off expenses, the cleanup measures and portfolio progress show that ABAG is now in a stronger position for sustainable growth. This ongoing restructuring is essential to securing the company's future. Independent audits uncovered deficiencies dating back to before the current management took over, while also confirming that today's structures rest on an independent and stable foundation. The resulting costs are unavoidable and should be seen as an investment in stability, asset protection, and transparency.

- The parent company Advanced Blockchain AG generated revenues of €226k (previous year: €105k), more than doubling year-over-year, but it remains heavily dependent on income from its subsidiary Incredulous Labs Ltd., with overall revenue levels still modest. High legal, auditing, and consulting expenses combined with extraordinary write-downs led to a net loss of €-1.78m (previous year: €-0.88m). Despite this loss, ABAG reports a solid equity base of €8.88m (December 31, 2023: €9.56m), corresponding to an equity ratio of 68.8% (December 31, 2024: 69.7%). The balance sheet was strengthened by the resolution of tax liabilities from previous years and by stabilizing liquidity. The auditor's qualified opinion relates solely to uncertainties around receivables from Incredulous Labs.

- The Cypriot subsidiary Incredulous Labs remains the core of the portfolio. In 2024 it achieved revenues of USD 229k and a net profit of USD 1.25m, while at the same time recording substantial impairments on projects. Forensic audits confirmed cases of asset misappropriation. As a result, the auditor issued a disclaimer of opinion for both 2023 and 2024. The new management has since implemented a modern control system with multi-signature wallets and institutional custody solutions, while also initiating legal steps to recover lost assets.

- Blockchain and cryptocurrency markets experienced a historic upswing in 2024: Bitcoin and Ethereum reached new multi-year highs, and overall market capitalization surpassed USD 3.5 trillion. ABAG's portfolio benefited, particularly from the successful token launch of peaq, which briefly achieved unicorn status. However, the decline of the PEAQ token in the first half of 2025 highlighted the high volatility and dependence on a few key assets. As of June 30, 2025, the value of the 15 largest holdings was reported at around USD 15m, down from USD 56m at the end of 2024. In response, management adopted an active diversification strategy with a focus on more liquid assets.

- **Based on the top 15 portfolio positions, after deducting holding costs and factoring in a 30% latent upside, the NAV stands at €15.36m or €4.15 per share. Taking this upside potential into account, we confirm our Buy rating.**

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MARKET AND MARKET ENVIRONMENT

In our view, Bitcoin remains the key benchmark and a clear indicator of risk appetite in the sector. After reaching a new all-time high of around 124,000 USD in August, BTC is currently trading in the range of about 112,000 to 113,000 USD. The price pattern of recent weeks is typical for mature upward trends, with strong impulses pushing into record territory followed by sideways phases with decreasing volatility, during which order books build and new liquidity layers move in.

In the DeFi sector, the recovery continued to show in solid figures. By mid-year, the capital locked across the ecosystem stood at around 150 billion USD. In June, active loan volumes in DeFi lending reached about 26.3 billion USD, driven by leading protocols with reliable collateral and liquidation mechanisms. Restaking remained a key capital magnet with total value locked of around 11 billion USD among major providers. Real world assets established themselves as another growth driver, with assets tied up most recently in the mid-double-digit billions. Overall, the sector once again demonstrates clear risk and return potential, with momentum shifting between lending, liquid staking, restaking, and real world assets.

A study by Roland Berger on the tokenization of real world assets shows that this market is developing into a major structural growth driver with significant implications for listed companies. Starting from a market size of about 300 billion USD in 2022, the study forecasts growth to more than 10 trillion USD by 2030. This forecast is based on a conservative assumption of less than one percent of real world assets being tokenized and reflects the expectation of rising demand for liquidity, transparency, and broader access to investments. The main catalysts include regulatory progress, the availability of market ready platforms, and increasing acceptance by institutional investors. The greatest opportunities lie in segments with high market capitalization and historically limited tradability, such as real estate, bonds, investment funds, and equities. Tokenization enables fractional ownership and faster settlement, reducing transaction costs and opening access for new groups of investors.

Stablecoins continued to function as the settlement and liquidity layer and remained on a structural growth path. Global stablecoin market capitalization reached approximately 251 billion USD in June, marking the twenty first consecutive increase. Stablecoins accounted for about 7.6 percent of total crypto market capitalization. These figures point to robust on chain liquidity, which stabilizes market making and supports DeFi yield structures. For portfolio companies focused on execution, aggregation, and liquidity management, this is a favorable setup as slippage decreases and the predictability of larger transactions improves.

Web3 usage and digital assets showed a mixed but solid picture in the second quarter. Across decentralized applications, there were on average around 24 million daily unique active wallets. The NFT market recorded a total sales volume of approximately 2.82 billion USD in the first half of 2025. Compared with the first quarter, volumes cooled in the second quarter while the number of transactions increased significantly. This indicates continued user activity at smaller ticket sizes, which benefits protocols, marketplaces, and infrastructure with an emphasis on efficient settlement, royalties, and creator tools.

On the infrastructure side, Ethereum based scaling continued its growth path. Assets secured in Layer 2 rollups stood between 40 and 45 billion USD by mid-2025. At the same time, transaction activity on leading Layer 2 networks remained strong, with their share of overall throughput increasing compared with Layer 1. Ethereum staking continued to reinforce the security layer, with around 29 percent of all ETH staked at the end of the quarter and quarterly yields of about three percent. These figures highlight the growing maturity of execution and security layers, which directly benefit application oriented protocols with clear fee models and user pathways.

At the trading and liquidity level, the market structure shifted significantly. Spot volumes on centralized exchanges fell about 28 percent compared with the first quarter, to roughly 3.9 trillion USD. Over the same period, decentralized exchanges grew by more than 25 percent, reaching about 876 billion USD, a new high in the ratio of DEX to CEX volume. Decentralized perpetuals also set a new quarterly record of nearly 900 billion USD. This shift toward on chain trading underlines the growing competitiveness of decentralized market infrastructure and benefits protocols with deep liquidity, aggregation, and efficient execution. For the portfolio segments of execution, derivatives, and RFQ layers, this provides a clear tailwind from increasing on chain activity and deeper fee pools.

Venture funding remained selective but showed a resilient foundation. In the second quarter, about 2.0 billion USD was invested in crypto and blockchain startups across nearly 380 deals. While this was lower than the exceptionally strong first quarter, the decline is put into perspective when adjusted for one off effects. Allocations shifted toward infrastructure and security solutions, while early stage rounds became smaller and more focused. For market participants with exposure to company builder and venture models, this means higher hurdles for follow on financing, but also more attractive entry valuations in core segments. For Advanced Blockchain, this creates selective buying opportunities in areas with strong capital discipline and clear milestones, while portfolio companies with measurable traction are more likely to attract investors.

Taken together, the recent Bitcoin trend, with spot prices around 112,000 to 113,000 USD, a fresh all time high at 124,000 USD, and robust on chain liquidity, creates a constructive market framework. DeFi is recovering in key metrics, stablecoins are broadening the liquidity base, Layer 2 scaling and staking are strengthening execution and security, on chain trading is gaining market share, and venture capital remains selective but present. For Advanced Blockchain, this environment is well suited to building liquidity countercyclically, gradually reducing portfolio concentration, and driving re-ratings through measurable milestones in key markets. This creates a solid bridge between Bitcoin as a risk indicator and an equity story increasingly supported by operational progress.

BUSINESS DEVELOPMENT

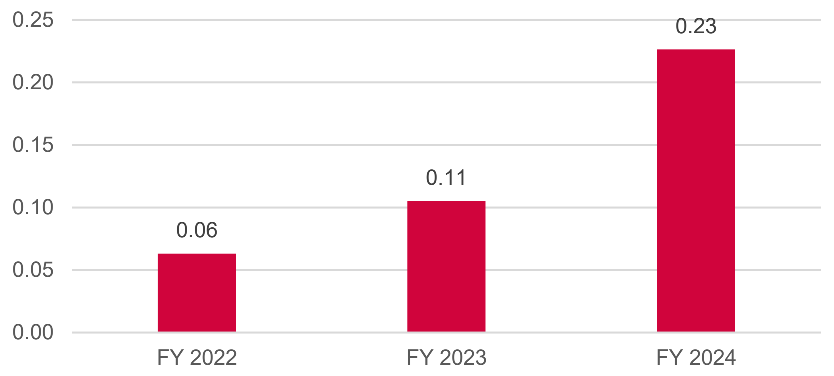
P&L in m €	FY 2022	FY 2023	FY 2024
Revenues	0.06	0.11	0.23
EBITDA	-0.50	-0.72	-1.02
EBIT	-0.52	-0.93	-1.19
Net income	-0.51	-0.88	-1.78
EPS in €	-0.13	-0.24	-0.44

Sources: Advanced Blockchain AG; GBC AG

Revenue Development

The standalone financial statements of Advanced Blockchain AG reflect 2024 as a year clearly shaped by cleanup and transformation. Revenues increased to €0.23 million compared with €0.11 million in the previous year, generated primarily from intercompany consulting services provided to Incredulous Labs.

Development of revenues (in m €)



Sources: Advanced Blockchain AG; GBC AG

Earnings Development

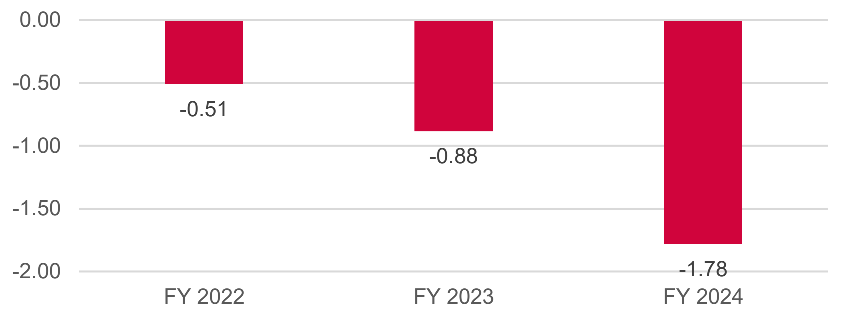
EBITDA amounted to -€1.02 million compared with -€0.72 million in the previous year, while EBIT stood at -€1.19 million versus -€0.93 million in the prior year. The negative result clearly underlines that fiscal year 2024 was a year of transformation, dominated by one-off effects related to restructuring, forensic investigations, and conservative valuation approaches.

Other operating income totaled €0.29 million, compared with €0.08 million in the previous year, driven mainly by the disposal gain from the sale of Tracebloc shares amounting to around €0.24 million as well as non-recurring effects of about €0.04 million. On the expense side, the governance overhaul is reflected in a significantly higher cost base. Other operating expenses rose to €1.31 million compared with €0.79 million in the prior year, largely due to legal, audit, and forensic costs as well as additional external services.

Below EBIT, further burdens weighed on the annual result. Negative developments at certain portfolio companies in 2024 led the new management team to record impairments, including €0.30 million on the investment in FINPRO AG, €0.11 million on Forest Park, and a full write-off of the investment in YEAY GmbH. In addition, interest expenses amounted to €0.08 million compared with €0.05 million in the prior year, while interest income remained negligible. Losses assumed from nakamo.to GmbH added €0.27 million compared with €0.06 million in the previous year.

A tax income of €0.05 million was recognized, resulting in an overall net loss of -€1.78 million, compared with -€0.88 million in the prior year.

Development of net results (in m €)



Sources: Advanced Blockchain AG; GBC AG

Overall, the 2024 income statement reflects the financial downside of strategic restructuring and cleanup. With these one-off effects expected to subside and the cost base likely to normalize, there are good prospects for significantly reducing losses in the coming years. What will be decisive is that the company firmly anchors its governance improvements, actively monetizes portfolio assets, and stabilizes the operating foundation of the parent company.

Business Development of Incredulous Labs Ltd.

Incredulous Labs Ltd., the core subsidiary of Advanced Blockchain AG, recorded a mixed performance in fiscal year 2024. On the operational side, revenues rose sharply to around 0.23 million USD compared with 0.02 million USD in the previous year. At the same time, the company remained heavily dependent on valuation fluctuations within its portfolio. Nevertheless, Incredulous Labs achieved a positive net result of approximately 1.25 million USD.

The company remained under close forensic review in 2024. The auditor issued a disclaimer of opinion for both 2023 and 2024, as the full investigation and documentation of past transactions had not yet been completed. In response, the new management introduced strict control mechanisms, multi signature solutions, and professional custody systems to ensure the future security of assets.

Taken together, the 2024 business development reflects a year of consolidation. On the one hand, the company achieved operational growth and a positive annual result. On the other hand, forensic risks and valuation adjustments weighed on profitability and shaped the overall balance sheet structure.

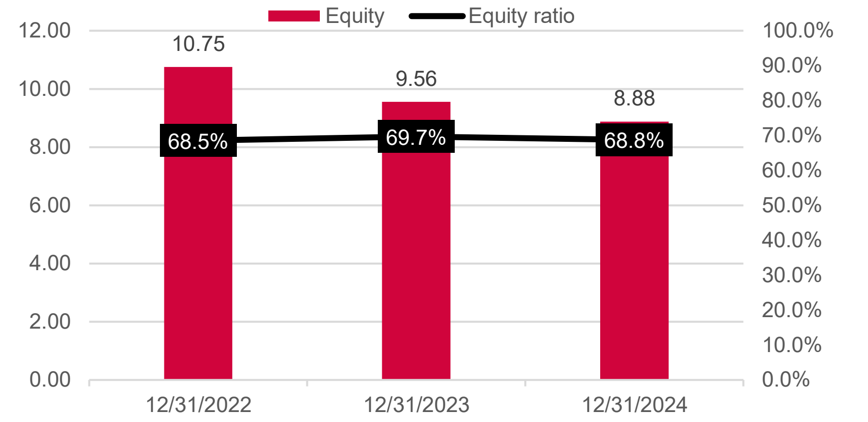
Balance Sheet and Financial Position

in m €	31.12.2022	31.12.2023	31.12.2024
Equity	10.75	9.56	8.88
Equity ratio (in %)	68.5%	69.7%	68.8%
Operating assets	0.04	0.03	0.02
Working capital	-0.13	-0.28	0.00
Net financial assets	13.04	10.85	9.57

Sources: Advanced Blockchain AG; GBC AG

As of December 31, 2024, the equity of Advanced Blockchain AG as the parent company amounted to €8.88 million, compared with €9.56 million in the prior year. The decline is mainly due to the net loss of €1.78 million, which reduced equity. Offsetting this effect were capital measures carried out during the reporting year. Subscribed capital rose from €3.79 million to €4.06 million as a result of the partial conversion of the outstanding convertible bond. Capital reserves increased from €4.45 million to €5.20 million, while retained earnings remained unchanged at €2.80 million. The accumulated loss, reflecting the negative earnings contribution, rose from €1.39 million to €3.17 million. With total assets of €12.91 million, the company reports a solid equity ratio of about 68.8 percent, compared with 69.7 percent in the previous year. It should be noted that the balance sheet of the AG relates exclusively to the parent company. The key token holdings and operational crypto investments are held by the subsidiary Incredulous Labs Ltd. and are not included in the standalone balance sheet of the parent company. As a result, the reported total assets do not reflect the full economic scope of the entire portfolio.

Development of equity (in m €) and equity ratio (in %)



Sources: Advanced Blockchain AG; GBC AG

On the liabilities side, there was a slight increase in total obligations from €3.19 million to €3.73 million. The main driver was the convertible bond, reported at €3.00 million at year end compared with €2.60 million in the prior year. Provisions declined from €0.96 million to €0.30 million, largely because the tax provision of €0.90 million recognized in the previous year could be released.

Overall, it can be concluded that Advanced Blockchain AG as the parent company maintains a solid capital structure despite the significant net loss. With an equity ratio of nearly 70 percent, the figure is high for a venture investment company and demonstrates the company's substance. For valuation purposes, however, it is important to note that the key token and investment values lie within the subsidiary, whose assets and earnings are not consolidated into the parent company's balance sheet. The standalone balance sheet of the AG is therefore of limited use in reflecting the group's overall economic performance.

Balance Sheet of Incredulous Labs Ltd.

Equity at Incredulous Labs stood at 9.98 million USD as of December 31, 2024, compared with 8.73 million USD in the prior year, reflecting a net profit that was fully retained in the company. Total assets were essentially unchanged at 22.12 million USD versus 22.10 million USD. The asset mix offers significant upside but also carries risk. Intangible assets amount to 7.52 million USD, financial assets measured at fair value through profit or loss to 9.54 million USD, and receivables to 5.03 million USD. Liquidity is low at 0.01 million USD, so short term solvency depends largely on asset sales and support from the parent company. Earnings and valuation are heavily influenced by individual project milestones, token market windows, and legal resolutions. At the same time, 2024 saw tangible improvements in governance and custody controls that should reduce operational risk going forward.

Against this backdrop, the key issues must be assessed along projects one through ten, since they represent the main levers for the balance sheet and cash flow.

Project 1 was initiated in 2021 with a token purchase price of 0.10 million USD. After loss of wallet control and subsequent transfers of the delivered tokens to external parties, the position was written down to zero. The core of the investment case is now legal recovery through damages or return of the tokens. The balance sheet therefore intentionally reflects only the binary legal option value.

Project 2 began in 2021 with 0.10 million USD. The 2023 exit generated proceeds of 0.32 million USD, a profit of 0.22 million USD. Roughly one million tokens were unexpectedly allocated to a wallet that is no longer controlled. The remaining position is recorded conservatively at zero, the same as in the previous year. Upside would come from clarifying ownership and recovering the tokens or a cash equivalent, while risk arises from potential counterclaims by the buyer of the rights sold in 2023.

Project 3, with an initial cost of 0.20 million USD, was fully written down to zero after a misdirected transfer to a wallet under third party control. The investment case is limited to forensic recovery and potential damages.

Project 4 illustrates that the model can work despite legacy issues. The initial investment was 1.00 million USD. Staking increased the unit count and cumulative sales realized 0.87 million USD. The remaining carrying amount is 0.13 million USD, down from 0.37 million USD in the prior year. A portion of the tokens, about 81 thousand units, is inaccessible or has flowed to unknown addresses. Future value levers lie in legal recovery and monetization of any still secured holdings.

Project 5 shows an initial 1.58 million USD, with a further 1.30 million USD invested via token swaps, for total exposure of 2.88 million USD. After transfers to an unknown address, the position is recorded at zero, unchanged from the prior year. Economically, only a legal option value remains with a low probability of realization, but with potentially significant leverage if identification and enforcement succeed.

Project 6, at 0.25 million USD, resulted in no token delivery due to formal mis structuring and was written down to zero.

Project 7 is the largest working capital item and is recorded as a receivable of 3.39 million USD. The balance stems from a web of investments, development mandates, and an exit agreement. Documentation from prior years is incomplete. From the perspective of current management there is a net claim, and collection would materially strengthen liquidity.

Project 8 is a syndicated future right agreement with a company share of 0.80 million USD in a total investment of 2.00 million USD. As of December 31, 2024, the fair value was determined externally at 0.44 million USD, down from 0.80 million USD. The write down reflects market conditions and project progress. With operational momentum, re ratings are possible, especially since governance rights and participation in the liquidity pool remain in place.

Project 9 shows an investment of 0.25 million USD and includes a claim to one million tokens, with most of the unlock completed in 2025. For 2024 the focus remains on securing, transferring, and monetizing in a measured way. Value realization depends largely on market windows and the disposal strategy.

Project 10 is a significant fair value holding. In 2025 the company initiated a mediation with a portfolio company arising from an investment agreement. That agreement promised recurring revenues and other benefits for the group. Most of these revenues have not yet been realized or asserted. The agreement also provided for a partial repayment to the company, which has not yet occurred. The mediation is ongoing. The risk reward profile is binary. A positive settlement would strengthen balance sheet certainty and flexibility, while a negative outcome could result in a material impairment. The outcome is uncertain. If no settlement is reached, the matter may proceed to binding arbitration. Legal counsel considers the prospects of success in a potential arbitration to be high, although the actual recovery of funds remains uncertain.

Beyond the top ten, additional intangible projects and fair value through profit or loss holdings contribute to substance, albeit with mixed quality. On the token side there are examples of successful monetization. The Pica complex delivered realized gains in the high six digit range in 2024 with a small remaining carrying amount. Krest tokens produced a significant disposal gain in 2024. On the other hand, projects that failed or pivoted, such as Reactive Labs, led to substantial write downs. Larger token packages relevant for 2025, including Contango with a token generation event in 2024 and delivery and sell down in 2025, as well as remaining peaq holdings after pre sales in 2024, form additional catalysts whose cash and earnings contribution depends primarily on market timing. In the fair value portfolio, independent valuation reports support the majority of the sixteen positions. Certain engagements, for example Alluo, VolumeFi, and Mekatek, are carried prudently at cost or at the market price of small token holdings and could move in either direction.

Operationally, management took key steps in 2024 to reduce risk. The introduction of institutional custody processes, including multi signature approvals and whitelisting, and a clear four eyes process for transactions address the core problem of the past, namely single person control over wallets. Forensic work and legal action aim to recover assets and compensate for opportunity losses. Three points will be decisive for balance sheet quality. First, resolving project seven with the receivable of 3.39 million USD and the mediation in project ten. Second, monetizing the 2025 token pipelines, including project nine, Contango, and peaq, to strengthen liquidity. Third, anchoring the new control environment so that fair value gains translate into sustainable cash flows.

Overall, the profile offers attractive opportunity with elevated uncertainty. The equity base of 9.98 million USD is real, but a significant portion is backed by illiquid or hard to estimate assets, and the very low short term liquidity of 0.01 million USD requires active portfolio management. Incredulous Labs demonstrated in 2024 that assets can be monetized and governance deficits can be addressed. The outlook depends largely on the disciplined resolution of the special situations in projects one through seven and ten, and on capturing the upside in projects eight and nine together with selective fair value holdings. If these efforts succeed, additional value creation and a noticeably stronger liquidity profile are achievable.

VALUATION (GROUP)

The published valuation of the 15 largest portfolio positions as of June 30, 2025 amounts to around USD 15.00 million. The composition is heavily influenced by peaq, which accounts for approximately USD 6.9 million.

Holding / Token	Value (in m USD)	Comment
Peaq & Krest (Token)	~6.9	Largest single position, high volatility after token launch
Panoptic	~1.8	DeFi options trading, long-term growth potential
Light Protocol	~1.7	Privacy infrastructure, supported in funding round
Polymer	~1.7	Modular blockchain infrastructure, strong strategic value
Talisman	~0.55	Wallet project, medium-term upside
Permanent Ventures	~0.35	Fund investment, stable NAV
Volume Finance	~0.35	Newly identified position, DeFi exposure
ZCloak	~0.28	Privacy layer, early development stage
DELV (liquidation proceeds)	~0.25	Residual value after project closure
Ethereum (92 ETH)	~0.23	Liquid token holding, additional diversification
Bitcoin (1.2 BTC)	~0.13	Liquid token holding, additional diversification
Laconic Network	~0.15	Infrastructure project, small position
Contango (TANGO token)	~0.16	DeFi perpetuals, early stage
Silencio	~0.05	Niche investment, very early stage
Neon EVM (NEON)	~0.05	Small token position
Total Top-15	**~15,0**	**Valued portfolio positions**

Source: Advanced Blockchain AG; GBC AG

We currently value Advanced Blockchain AG's crypto portfolio 30% higher than the NAV last determined on June 30, 2025. A key factor is that the previous valuation was heavily influenced by an excessively sharp markdown of PEAQ tokens. In addition, in our view, the market environment has improved significantly in the second half of the year: crypto markets have stabilized, regulatory clarity has increased, and risk premiums for crypto assets have declined. Taken together, these factors justify a higher assessment of the portfolio, as they more accurately reflect both intrinsic value and sustainable market opportunities. With our latent upside valuation of 30%, we estimate the current portfolio at USD 19.5 million. Based on an exchange rate of 1 USD = 0.85557649 EUR (September 11, 2025, 09:13 UTC), this corresponds to a GBC NAV valuation of €16.68 million.

GBC NAV-Valuation	
Top 15 Portfolio Valuation	15m USD
GBC Latent Upside Valuation of 30%	19.5m USD
Valuation in EUR	16.68m €
Holding Costs*	1.32m €
NAV	**15.36m €**
Outstanding Shares	3.7m
NAV per Share	**4.15 €**

Source: GBC AG

In our NAV calculation, we account for ongoing holding costs by first projecting them over a five-year period and discounting them to present value at a rate of 12%. This approach captures the near-term expected expenses at a realistic level. We then additionally include the present value of holding costs as a perpetuity, reflecting the costs beyond the planning horizon, also discounted at 12%. In this way, both short-term and long-term burdens of the holding structure are appropriately incorporated into the NAV, resulting in a deduction that adjusts the value of the investments for the costs incurred on a permanent basis.

From the GBC NAV valuation, we deduct the discounted holding costs of €1.32 million. This results in an NAV of €15.36 million, which, with 3.70 million outstanding shares, corresponds to an NAV per share of €4.15.

It is important to note that the reported NAV conservatively includes only the fifteen largest positions. Assets outside this top-15 block, internal IP components, and additional token holdings are not reflected in the calculation and therefore represent potential value drivers that have not yet been priced in.

Upside potential arises in particular from targeted monetizations, successful product and token launches, gradual reduction of portfolio concentration, and the leverage of additional assets beyond the top 15. Downside risks, on the other hand, stem from ongoing market volatility, possible delays in project milestones, limited realizability of illiquid positions, and discrepancies between model valuations and actual achievable prices.

Outlook and Strategy

In coordination with management, we have learned that a comprehensive strategy paper is scheduled for release in early October, ahead of the Annual General Meeting. In this document, the Executive Board intends to outline the company's strategic direction for the coming years in detail. With the majority of the clean-up from previous years now completed, greater focus can shift toward future development. While the restructuring is not yet entirely finalized, strategic planning for the future is increasingly moving into focus.

Overall, structures are to be further professionalized, including through the introduction of a new interest-bearing arrangement for liabilities between Advanced Blockchain AG and Incredulous Labs, effective January 1, 2025.

Peer Group Analysis

Due to the limited availability of disclosed financial information and the uniqueness of the business model, there are currently no directly comparable publicly traded competitors. As such, a peer-based valuation cannot be performed at this time.

FORECAST MODEL

In accordance with §21 (1c) of the General Terms and Conditions of Deutsche Börse AG for the Open Market of the Frankfurt Stock Exchange, the inclusion of an (updated) forecast model is required for a research update. However, our analysts have determined that such a forecast model is not suitable for investment companies like Advanced Blockchain AG, which operates in the crypto sector.

Since we use the GBC NAV valuation approach to assess the company, we do not consider a forecast model for revenue and earnings indicators to be appropriate. Instead, our focus is on estimating the value of the company's investments.

We are of the view that a forecast model for investment companies such as Advanced Blockchain AG does not provide investors with meaningful or useful insights. Revenues and results in this industry are highly volatile, and we believe that the valuation of an investment company should primarily be based on the assessment of its holdings and projects.

To comply with the legal requirements under §21 (1c) of the General Terms and Conditions, we have included this forecast in the research report. However, we would like to emphasize that, in our opinion, the forecast model should be regarded as supplementary only.

Income Statement – Standalone Advanced Blockchain AG (in m €)	**FY 2025e**
Revenue	0.30
EBITDA	0.15
EBITDA Margin	50%

Source: GBC AG

A consolidated financial statement is not yet available, which makes the current figures non-specific. In addition, the business model is highly volatile, making short-term forecasts difficult to establish and prone to significant deviations.

We would like to reiterate and emphasize that the forecasts mentioned above should be regarded as highly volatile and unreliable. This is due to the inherent volatility of Advanced Blockchain as an investment company operating in the young and highly volatile crypto sector. For this reason, we believe it would not be reasonable or appropriate to rely solely on these forecasts when valuing the company, as doing so could result in a misleading assessment.

Instead, we recommend focusing on the valuation of the investments held by Advanced Blockchain AG and their potential value. This approach is more appropriate and better reflects the unique characteristics of both the company and the industry in which it operates.

ANHANG

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