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17.12.2024 - GBC management interview with Hatem Elsayed, COO, and Maik Laske, CFO, of Advanced Blockchain AG

Company: Advanced Blockchain AG^{*5a,11}

ISIN: DE000A0M93V6

Analyst: Matthias Greiffenberger, Marcel Goldmann

Fair value: € 10.75

Rating: Buy

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**Catalog of possible conflicts of interest on page 7*

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Advanced Blockchain AG is an innovative player in blockchain technology and Web3 investments, headquartered in Berlin. Since 2017, the company has successfully supported early-stage blockchain projects, focusing on forward-looking sectors such as Decentralized Finance (DeFi), Real-World Assets (RWA), Artificial Intelligence, and Decentralized Physical Infrastructure Networks (DePIN).

With a well diversified portfolio of over 30 investments, Advanced Blockchain provides investors access to high-growth markets. The company combines strategic early-stage investments with active support to scale its projects. Through targeted incubation efforts and a strong deal flow pipeline, Advanced Blockchain has established itself as a reliable gateway to blockchain ecosystems, delivering above-average returns.

At the recent Equity Forum, we had the opportunity to speak with COO Hatem Elsayed and CFO Maik Laske about their impressions of the event, investors' feedback, and current investments. Additionally, the company recently announced its new strategic direction.

GBC AG: What key topics and projects did you present at the Eigenkapitalforum?

Hatem Elsayed: At the Eigenkapitalforum, we presented our strategic direction and measures to improve liquidity. Our future investment focus will be on targeted early-stage investments in high-growth sectors such as DePINs, Bitcoin Layer-2 solutions, and Real World Assets and more.

GBC AG: What feedback did you receive from the investors present at the Equity Forum?

Maik Laske: The feedback from investors was overwhelmingly positive, particularly regarding the combination of strategic investments and efficient liquidity management, as well as the new core team. Investors praised our commitment to DePINs and interoperability, highlighting their growing importance. The market potential for DePINs alone is estimated to reach USD 3.5 trillion by 2028.

Hatem Elsayed: Our strong deaflow pipeline and successful track record of exits were particularly well-received, further strengthening confidence in our business model.

GBC AG: Were there any topics that were critically received?

Maik Laske: Critical questions primarily revolved around market volatility and our risk management strategy. Here, we outlined our target of increasing liquid reserves to at least 25%. Additionally, a lack of transparency was noted as another critical point, which we are addressing as a key priority in our future work.

Hatem Elsayed: Questions also arose regarding the streamlining of our corporate structure and the associated challenges. However, we were able to present convincing perspectives and solutions.

GBC AG: Regarding your new strategy: What are your focal points for future investments in blockchain technologies?

Hatem Elsayed: Our investment strategy focuses on high-growth sectors such as DePINs, Bitcoin Layer-2 solutions, and Real-World Assets among others. We see enormous potential in these areas as they not only drive technological innovation but also create real-world use cases that offer long-term value.

GBC AG: What are your goals in this regard, and how do you assess the potential of these areas for future growth?

Hatem Elsayed: Our goal is to expand our portfolio with projects that are economically profitable and technologically groundbreaking. We plan to invest in early stage funding rounds of projects that we can actively scale and support to achieve above-average returns. For the coming year, we have allocated an investment budget of up to EUR 2 million and anticipate monetization revenues of EUR 4 million to finance these investments.

GBC AG: Given the volatility of the crypto market, you aim to increase liquid reserves to at least 25%. What measures are you taking to achieve this target while also seizing attractive investment opportunities?

Maik Laske: Our strategy involves several measures to achieve the targeted liquidity ratio while investing in promising projects. This includes strategic exits from selected investments to enhance liquidity. We also plan to liquidate some of our existing assets in exchange for established blue-chip tokens. Additionally, we are going to deploy liquid tokens in staking activities and liquidity pools to generate additional income. These steps strengthen our financial base and provide stability even during volatile market phases.

GBC AG: You plan to streamline the corporate structure to promote efficiency and cost reductions. What challenges do you foresee in implementing this measure, and how will you ensure that core innovation and corporate culture are preserved?

Maik Laske: The biggest challenge is creating a leaner structure without compromising value potential. By focusing on core business units, we eliminate inefficient processes and achieve lasting cost reductions. This not only creates clear structures but also increases transparency for our shareholders and strengthens confidence in our operational direction. We redirect freed-up resources to high-growth areas, ensuring more efficient capital allocation and long-term increases in asset value for shareholders.

GBC AG: Just before the Eigenkapitalforum, you announced three new investments. Could you briefly introduce these recent investments by Advanced Blockchain?

Hatem Elsayed: Yes, we recently invested in three highly promising projects:

1. AO Token Farming: AO is a decentralized supercomputer built on the Arweave network. AO combines permanent data storage with decentralized computing resources, enabling developers to create innovative applications. Think of AO as a global, distributed data center that operates securely and efficiently without a central operator. Stored data remains permanently available, eliminating the need for expensive servers or limited storage solutions.

2. Teneo Protocol: An innovative provider of decentralized data infrastructure that helps businesses efficiently and cost-effectively utilize social media data. Teneo allows companies to access necessary data directly from social media platforms without relying on expensive, centralized data services. The data is provided by community users who are incentivized with project tokens for their contributions. This model fosters a sustainable and active ecosystem benefiting both businesses and data providers.

3. Silencio: A DePIN project operating a global network of sensors for environmental monitoring with innovative monetization methods. Silencio uses sensors to collect data on environmental conditions such as air quality or noise pollution. For instance, a network of sensors in cities could gather data on air pollution or noise levels, which is then sold to companies or government agencies for environmental reports or initiatives to improve quality of life. Recently, the Abu Dhabi Environmental Agency launched a noise pollution mapping initiative, highlighting the relevance of Silencio's datasets. Such initiatives underscore the growing demand for accurate and accessible environmental data provided by Silencio.

GBC AG: Which companies or projects are you focusing on?

Maik Laske: All three projects represent core areas of our strategic focus and offer significant growth potential.

GBC AG: Many cryptocurrencies and tokens are currently experiencing positive developments. How do you assess the future of the crypto market, and what role do you think Advanced Blockchain will play in this dynamic environment in the coming years?

Hatem Elsayed: We view the current market dynamics as clear confirmation of the relevance and future viability of blockchain technologies. In particular, the DePIN sector and Bitcoin Layer-2 solutions will be key growth drivers in the coming years. Advanced Blockchain will continue to play a leading role in this ecosystem by investing early in key tech verticals, actively supporting them, and creating long-term value together with our partners. Our diversified portfolio and strategic approach position us optimally to benefit sustainably from this development.

GBC AG: How do you evaluate the development of peaq after its token launch, and what significance does the project hold for Advanced Blockchain?

Maik Laske: peaq is an outstanding example of the success of our incubation strategy. Since the token launch, the price has developed strongly and has already reached an all time high of USD 0.75. Our token share has since fluctuated around USD 60 million depending on the daily price. As one of our first incubation projects, peaq is among the

leading platforms in the field of Decentralized Physical Infrastructure Networks (DePIN). The strong price development of peaq compared to other token launches highlights both the project's potential and the effectiveness of our business model. For both peaq and other investments, the group plans to generate stable returns in the future through long-term participation and staking revenues.

GBC AG: Thank you for the interview.

APPENDIX

I.

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