GBC Research
Anno

Advanced Blockchain AG

IMPORTANT NOTICE:
Please note the disclaimer/risk notice and the disclosure of potential conflicts of interest pursuant to Section 85 of the German Securities Trading Act (WpHG) and Article 20 of the Market Abuse Regulation (MAR), starting on page 21.

Note pursuant to MiFID II regulations for research regarding “Minor Non-Monetary Benefits”: This research meets the requirements for classification as a “Minor Non-Monetary Benefit.” For more information, see the disclosure under “I. Research under MiFID II”

GBC AG Investment Research

Advanced Blockchain AG *5a, 11

Balance sheet adjustment completed
ABAG 2.0 Awaits Operational Proof

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

Employees: 4 (in the AG), 2 (Incredulous Labs)
Headquarters: Berlin
Executive Board: Maik Laske (CFO)

Advanced Blockchain AG is a publicly traded investment and development company focused on blockchain technologies, Web3 business models, and digital assets. Through its Cypriot subsidiary, Incredulous Labs Ltd., the group invests in early-stage blockchain projects, manages token and equity positions, and supports their operational development and monetization. In addition, the company provides consulting and development services in the field of distributed ledger technologies. With the “ABAG 2.0” strategy, the existing investment model is being expanded to include the areas of investments, treasury, innovation, consulting, and analytics. Additional revenue potential is to be tapped primarily through tokenization projects, ABX Analytics, the use of the trading license in Dubai, and selective investments in AI and robotics companies. The goals are recurring revenue and reduced dependence on market cycles.

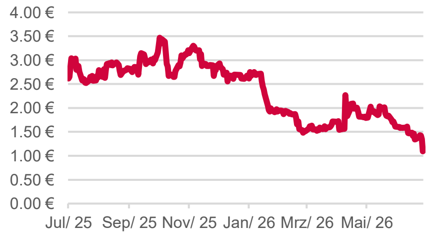
GBC Adjusted NAV Calculation	**Value**
Gross Asset Value	€14.70 million
External Liabilities and Financing Deductions	-€4.58 million
Present value of holding costs	-€2.00 million
Adjusted NAV	**€8.12 million**
Outstanding shares	4.06 million
Fair value per share	**€2.00**

Investment Case

- **Adjusted Starting Point:** Following the extensive impairment charges in 2025, Advanced Blockchain now has a significantly more conservative balance sheet. This balance sheet reset reduces legacy liabilities and creates a more transparent foundation for future portfolio valuation.
- **Focused Portfolio with Value Potential:** The company is increasingly concentrating on a small number of core positions with above-average upside potential, particularly in the areas of DeFi, blockchain infrastructure, DePIN, and AI/robotics-related applications.
- **Improved Governance and Controls:** The resolution of historical issues, improved wallet and control processes, and the improved audit opinion for Incredulous Labs strengthen the company’s capital-market readiness and reduce operational risks.
- **ABAG 2.0 as an operational option:** ABX Analytics, tokenization projects, the Dubai/UAE trading license, and FinPro open up additional operational revenue potential beyond the traditional investment model.
- **Attractive Upside on a NAV Basis:** Based on our optimistic adjusted NAV model, the fair value is €2.00 per share. Thus, despite increased risks, the stock offers an attractive speculative risk-reward profile.

Rating: Buy
Price **Target**: €2.00 (previously: €3.79)

Share Information



Xetra Price July 13, 2026, 4:20	1.20 EUR
Symbol (GER)	BWQ
Ticker (Bloomberg)	ABX:GR
ISIN	DE000A0M93V6
WKN	A0M93V
Number of shares (in millions):	4.06
Market Cap (in millions of	4.87
Market segment	Scale
Fiscal Year	December 31
Accounting	German Commer-

Shareholder Structure

Free float	100%

Financial Calendar

August 27,	Annual Shareholders' Meeting
October 30,	2026 Half-Year Report
November 24, 2026	Frankfurt Equity Forum

Analysts

Matthias Greiffenberger (greiffenberger@gbc-ag.de)
Cosmin Filker (filker@gbc-ag.de)

Latest GBC Research

Date: Publication / Price Target / Rating
Jan. 29, 2026: RS / €3.79 / BUY
November 14, 2025: RS / €3.79 / BUY
October 15, 2025: RS / €3.79 / BUY
September 16, 2025: RS / €4.15 / BUY
April 22, 2025: RS / €5.58 / BUY
** The research reports listed above can be accessed at www.gbc-ag.de**.

Completed: July 21, 2026 (2:00 p.m.)
First release: July 22, 2026 (11:00 a.m.)

Price target valid until no later than December 31, 2027.

List of potential conflicts of interest on p. 22.

GBC AG Investment Research

EXECUTIVE SUMMARY

- Advanced Blockchain AG (ABAG) continued its far-reaching balance sheet reset in fiscal year 2025. While the parent company's revenue rose to €0.31 million from €0.23 million in the prior year, the operating cost base remained high. EBITDA deteriorated to -€1.67 million from -€1.29 million in the prior year, while EBIT fell to -€3.36 million from -€1.46 million in the prior year due to high impairment charges. On the bottom line, the net loss for the year increased to -€3.48 million, compared to -€1.78 million in fiscal year 2024. Earnings were therefore once again significantly affected by legally required review and remediation work, legal and consulting expenses, and extensive necessary balance-sheet adjustments.

- The most significant impact occurred at the subsidiary Incredulous Labs Ltd., where a large portion of the investment and token portfolio is concentrated. In 2025, Incredulous Labs generated revenue of $0.05 million, down from $0.23 million in the prior year, and reported a net loss of $16.98 million, compared to an adjusted net profit of $0.95 million in the prior year. This was primarily due to extensive impairment charges on intangible assets and token rights, fair value losses on unlisted project investments, as well as write-offs and allowances for doubtful accounts. As a result, Incredulous Labs' total assets fell significantly to USD 5.39 million from USD 21.64 million in the prior year, while equity declined to negative USD 7.48 million from positive USD 9.50 million. While this development significantly impacts the company's balance sheet ratios in the short term, it also creates a much more conservative starting point for future valuation.

- On a positive note, significant progress was made in the fiscal year 2025 in addressing historical issues and improving governance and control structures. The auditor in Cyprus assessed the further development of the control systems not merely as isolated improvements, but as a comprehensive transformation. Thanks to the extensive asset protection measures continued throughout 2025 and beyond, the systematic review of historical transactions, and the comprehensive optimization of internal control and reconciliation processes, the issues that had led to the disclaimer of opinion on Incredulous Labs' 2023 and 2024 financial statements were substantially resolved. As a result, Incredulous Labs was no longer issued a disclaimer of opinion for the 2025 fiscal year, but rather a qualified opinion. The remaining qualification primarily relates to an intragroup balance with Brain Networks Ltd. In our view, this reflects significant qualitative progress compared to previous years and strengthens the Group's transparency and capital market viability. At the same time, the financial situation remains strained. As of December 31, 2025, Advanced Blockchain AG had cash and cash equivalents of only €0.11 million, while Incredulous Labs reported bank balances of only approximately $3,700. After the balance sheet date, the liquidity base was strengthened by a six-figure shareholder loan. However, further financing measures and the successful monetization of portfolio assets remain key prerequisites for implementing the new strategy and achieving the Group's sustainable stabilization.

- Strategically, the company is now poised to transition from balance sheet restructuring to operational value creation. Under the "ABAG 2.0" vision, the existing investment model is to be expanded to include the areas of Investments, Treasury, Innovation, Consulting, and Analytics. Additional revenue potential is expected to be tapped primarily through ABX Analytics, tokenization projects, the use of the trading license in Dubai/UAE, and selective activities in AI- and robotics-related areas. In the short term, we do not yet expect any material earnings contributions from these initiatives, but we see meaningful strategic optionality. At the same time, the portfolio strategy is likely to focus more strongly on a few core positions with higher value appreciation potential, including, in particular, PEAQ, Panoptic, zCloak/Starks Network, and other selected DeFi, infrastructure, and DePIN positions.

- We continue to consider an adjusted NAV approach appropriate for valuation. Traditional multiples are currently of limited use due to the lack of a normalized earnings base. Based on the fair values recognized on the balance sheet, the remaining token and project rights, a risk-adjusted valuation for PEAQ, and a limited option value for ABAG 2.0, we calculate a risk-adjusted gross asset value of €14.70 million. After deducting external obligations, financing discounts, and capitalized holding costs, the adjusted NAV amounts to €8.12 million. With 4.06 million outstanding shares, this corresponds to a fair value of €2.00 per share.

- **The stock remains a speculative investment with heightened dependence on token markets, portfolio monetization, financing opportunities, and the successful implementation of the new operational strategy. At the same time, following the balance sheet reset, improved control structures, and a stronger focus on selected value drivers, we see an improved foundation for a potential revaluation. Based on our optimistic adjusted NAV model, we therefore assign a BUY rating with a price target of €2.00.**

TABLE OF CONTENTS

MARKET AND MARKET ENVIRONMENT

Advanced Blockchain AG continues to operate at the intersection of the market for digital assets, blockchain-based infrastructure technologies, and venture capital investments in early-stage Web3 companies. The relevant market environment is therefore not determined solely by the price performance of Bitcoin and other cryptocurrencies. Equally crucial are, in particular, financing opportunities for startups, which deteriorated significantly in the first half of 2026, the technological use of decentralized networks, the development of regulatory frameworks, and the ability of individual projects to establish sustainable business models and real user activity. Consequently, when valuing an investment portfolio, a distinction must be made between the highly cyclical short-term price movements of liquid tokens and the longer-term structural growth drivers of the blockchain economy.

Following strong growth in 2024, the digital asset market cooled significantly in 2025. The global market capitalization of the crypto market fell to approximately 3.0 trillion USD by the end of 2025, down from about 3.4 trillion USD at the end of 2024. The correction continued in the first quarter of 2026. Market capitalization fell by a further 20.4% to about 2.4 trillion USD, bringing the market to a level approximately 45% below its peak reached in October 2025. At the same time, average daily trading volumes declined significantly compared to the previous quarter. The current environment is thus characterized by lower risk appetite, weaker liquidity, and a greater focus on established digital assets, which also affect Advanced Blockchain AG. For smaller tokens and early-stage projects, this regularly leads to disproportionately large price losses and makes it more difficult to realize investment value.

However, the weak overall market performance masks the fact that individual application areas continue to gain importance. This is particularly pronounced in the case of stablecoins, which are increasingly being used as settlement, liquidity, and payment infrastructure. Their global market capitalization rose in 2025 by 48.9% to $311.0 billion, up from approximately $208.9 billion at the end of 2024. In the first quarter of 2026, the volume remained virtually stable at around $309.9 billion, even though the overall crypto market declined significantly. This relative resilience suggests that stablecoins are no longer used exclusively as an instrument for trading cryptocurrencies, but are increasingly taking on functions in payment transactions, the international transfer of liquidity, and within decentralized finance applications. For blockchain infrastructure projects, this increases the demand for secure wallets, interoperable networks, data solutions, and compliance technologies.

The market for decentralized finance applications is also evolving from predominantly speculative use cases toward a broader financial market infrastructure. A notable example is the trading of perpetual derivatives on decentralized exchanges. Through its investment in Panoptic, Advanced Blockchain AG hopes to capitalize on this momentum. The corresponding trading volume rose to 6.7 trillion USD in 2025, representing a 346% increase over the previous year's calculated level of approximately 1.5 trillion USD. The growing use of decentralized trading platforms demonstrates that high-performance on-chain applications can compete with centralized platforms in select areas. At the same time, smart contract risks, insufficient liquidity, flawed incentive structures, and regulatory uncertainties remain key headwinds. For investors, therefore, the decisive factor is not so much the short-term amount of capital locked in a protocol as whether fee revenue, user retention, and security architecture are sustainable in the long term.

Another structural growth driver is the tokenization of real-world assets. In this process, assets such as bonds, fund shares, private equity stakes, real estate, or receivables are digitally represented on a blockchain. The technology can accelerate settlement processes, make ownership structures more transparent, divide investment products into smaller units, and automate individual process steps via smart contracts. The World Economic Forum highlights shared data pools, programmability, flexible custody, fractional ownership, and the combinable use of various digital assets as potential advantages. However, market penetration remains at an early stage. Limited secondary market liquidity, a lack of interoperability, heterogeneous legal structures, and integration with existing financial market infrastructure are hindering scaling. Nevertheless, tokenized capital market products are likely to generate significant long-term demand for blockchain protocols, oracles, custody solutions, and decentralized trading mechanisms.

Also of particular relevance to Advanced Blockchain AG's portfolio is the area of Decentralized Physical Infrastructure Networks, or DePIN for short. These networks coordinate physical resources such as computing power, data storage, sensors, cellular coverage, energy facilities, or vehicle data using blockchain-based incentive systems. Participants provide infrastructure or data and receive digital rewards in return. This economic approach can partially replace the capital-intensive development of centrally operated networks with decentralized provision. By combining blockchain, the Internet of Things, artificial intelligence, and real-world devices, DePIN addresses a significantly broader range of applications than purely financial crypto protocols. However, the key to economic success remains whether, in addition to token-based incentives, there is actual demand for the services provided. Projects without robust revenue streams or recurring usage remain heavily dependent on token issuance and capital market sentiment.

The funding environment for blockchain and Web3 companies has improved since the low point of 2023 and 2024, but remains selective. In 2025, venture capitalists invested approximately $20.0 billion in crypto and blockchain companies, compared to $11.5 billion in 2024. However, 57% of the capital invested went to later-stage funding rounds, indicating a growing preference for established companies with proven business models. In the first quarter of 2026, the investment volume fell to approximately $4.0 billion, down from $8.5 billion in the fourth quarter of 2025. The number of transactions declined much less sharply, from 425 to 355. The decline was thus primarily due to the absence of large funding rounds, while seed and early-stage financing remained generally available. Infrastructure, tokenization, DeFi, wallets, payments, and data protection and security continued to be among the actively funded sectors.

In Europe, the Markets in Crypto-Assets Regulation (MiCA), which has been fully applicable since December 30, 2024, improves regulatory predictability. It establishes harmonized requirements for issuers of certain crypto-assets and for providers of crypto-services. Supplementary requirements regarding white papers, records, trading data, and market surveillance increase transparency and comparability. For reputable providers, this can facilitate access to institutional business partners and investors. At the same time, the costs of licensing, documentation, compliance, and ongoing reporting are rising. Smaller projects could thus face additional pressure to consolidate, while financially strong and professionally organized platforms stand to benefit structurally.

Overall, the blockchain market is undergoing a phase of consolidation and professionalization. In the short term, lower token prices, reduced trading liquidity, and a more selective venture capital environment are weighing on the valuation and marketability of investments. In the medium to long term, the increasing use of stablecoins, the establishment of decentralized financial market infrastructure, the tokenization of real-world assets, and the integration of blockchain with physical infrastructure networks point to continued attractive structural growth. For Advanced Blockchain AG, investment success is therefore likely to depend more heavily than in previous market phases on the quality of its portfolio companies, their funding runway, real user activity, token economics, and their ability to monetize assets.

BUSINESS PERFORMANCE

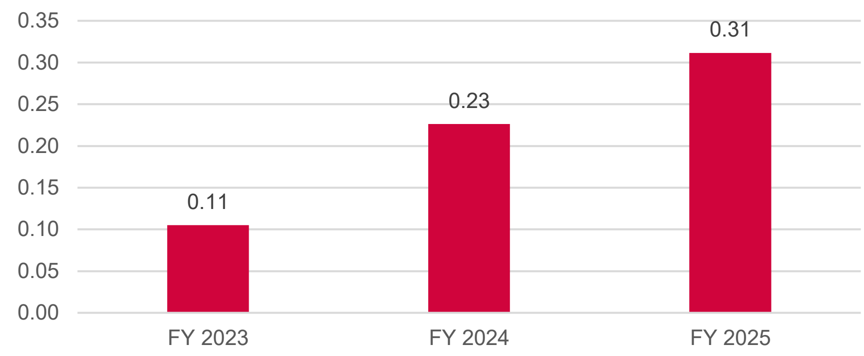
Income State-	FY 2022	FY 2023	FY 2024	FY 2025
Revenue	0.06	0.11	0.23	0.31
EBITDA	-0.50	-0.72	-1.29	-1.67
EBIT	-0.52	-0.93	-1.46	-3.36
Net Income	-0.51	-0.88	-1.78	-3.48
EPS in €	-0.13	-0.24	-0.44	-0.86

Sources: Advanced Blockchain AG; GBC AG

Revenue Performance

Advanced Blockchain AG increased its revenue by 37.6% to €0.31 million in fiscal year 2025, up from €0.23 million in the previous year. Revenue resulted primarily from intra-group consulting and development services. This continued the revenue growth of recent years, although the absolute revenue level remained low. The revenue of €0.30 million projected in the previous forecast model was slightly exceeded.

Revenue Development (in € million)



Sources: Advanced Blockchain AG; GBC AG

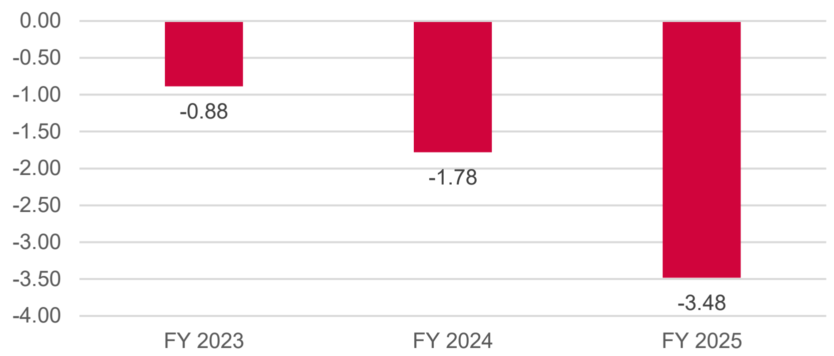
However, the significance of revenue figures for assessing economic performance is limited. Advanced Blockchain AG primarily functions as an investment holding company, while the core token and project investments are predominantly held by the subsidiary Incredulous Labs Ltd. Appreciation in value and monetization of these assets are therefore not directly reflected in the revenue reported in the parent company's HGB individual financial statements. Furthermore, the revenue generated in 2025 consists mainly of intra-group transactions and does not yet represent the establishment of a broad external and recurring revenue base.

Against this backdrop, we view the increase in revenue as generally positive but do not yet see it as solid evidence of sustainable operational scaling. A key factor for future development will be whether the company can generate additional external revenue from the strategic initiatives ABAG 2.0, ABX Analytics, tokenization projects, and the increased use of its trading license in Dubai.

Earnings Performance

EBITDA fell to -€1.67 million from -€1.29 million in the prior year. This was primarily due to the holding company's continued high-cost base, expenses related to resolving historical issues, as well as legal, consulting, and administrative costs.

Net Income Performance (in € million)



Sources: Advanced Blockchain AG; GBC AG

Legal and consulting expenses amounted to €0.82 million in 2025. These expenses continued to relate to the accounting, legal, and organizational review and remediation of the Group, as well as to the further enhancement of governance and control structures. Although we believe these measures were necessary to stabilize the company, they significantly impacted short-term profitability and financial flexibility.

The decline in earnings was even more pronounced at the EBIT level. EBIT fell to -€3.36 million, compared with -€1.46 million in the prior year. In addition to the negative operating result, the decline was primarily attributable to significantly higher write-downs and impairment charges, which totaled approximately €1.73 million in 2025. These mainly related to intra-group receivables and selected investment holdings. Significant impairment charges related to receivables from Incredulous Labs Ltd. and nakamo.to GmbH. The write-downs recognized in fiscal year 2025 should be viewed as a continuation of the balance-sheet clean-up of historical assets, receivables, and investment positions. Already in the previous year, impairment charges had been recorded, among other things, for FINPRO AG in the amount of €0.30 million, as well as for the Forest Park Group and YEAY GmbH. While the focus in 2024 was primarily on individual equity investments, the emphasis in 2025 shifted to the collectability of intra-group receivables and the recoverability of the token and equity portfolio held by Incredulous Labs. The higher impairment charge thus reflects both the weaker performance of individual portfolio assets and a more conservative assessment of the collectability of intra-group repayment claims.

Including the financial result, the net loss for the year increased to -€3.48 million, compared to -€1.78 million in fiscal year 2024. The loss has thus nearly doubled. The earnings performance in 2025 was consequently characterized by both a persistently negative operating cost structure and significant non-recurring balance sheet effects. Although a substantial portion of the write-downs was non-cash, they reflect an actual reduction in the expected recoverable amount or collectability of individual asset positions and should therefore not be viewed merely as technical accounting adjustments.

Overall, fiscal year 2025 represents another—albeit legally imperative—year of significant restructuring and realignment. On a positive note, the extensive revaluations and write-downs have created a more transparent accounting foundation for future development. However, to achieve a sustainable improvement in earnings, legal and consulting costs must now return to normal, the operating cost base must be reduced, and new external revenue streams must be established.

Incredulous Labs Ltd.

Income State-ment	FY 2024	FY 2025
Revenue	0.23	0.05
Net Income	0.95	-16.98

Source: Advanced Blockchain AG

Revenue Trends

Incredulous Labs Ltd., which holds a significant portion of the Advanced Blockchain Group's investment and token portfolio, generated revenue of 0.05 million USD in fiscal year 2025, down from 0.23 million USD in the prior year. This represents a decline of 76.9%. The reported revenue resulted exclusively from consulting and services for blockchain and digital asset projects, with payment made in the form of tokens.

However, IFRS revenue provides only a limited reflection of Incredulous Labs' economic activity. Revenue from the monetization of the company's own token positions, OTC and market-maker transactions, token swaps, option agreements, staking, and the disposal of project positions is not recognized as revenue under IFRS 15. Depending on their economic substance, these transactions are recognized as gains or losses on disposal, staking income, fair value changes, or other income and expenses. In 2025, the Company conducted, among other things, spot, OTC, and market-maker transactions involving PEAQ, AR, and NEON tokens and utilized covered call agreements to monetize PEAQ tokens.

Other operating income decreased to $0.49 million from $3.93 million in the prior year. This included staking and other income of $0.29 million, compared to $0.06 million in the prior year, as well as gains from the disposal of intangible assets of $0.20 million, compared to $2.48 million in the prior year. While current staking income thus increased, realized gains from portfolio monetization were significantly lower. In addition, no positive fair value effects on financial assets were recognized in 2025, after they had amounted to USD 0.93 million in the prior year.

Earnings Performance

Incredulous Labs' earnings performance in fiscal year 2025 was characterized by extensive impairment charges, write-offs of receivables, and revaluations of the investment and token portfolio. Following an adjusted net income of USD 0.95 million in the prior year, a net loss of USD 16.98 million was reported in 2025. The comparative figures for 2024 were restated retroactively in accordance with IAS 8 to correct a prior classification and measurement error related to the Talisman/SEEK position.

Even before the extensive impairment charges, operating performance had deteriorated. Administrative expenses rose to USD 0.91 million, compared with USD 0.66 million in the prior year. Higher consulting fees, fees for the preparation and audit of the annual financial statements, and legal and technical support services had a particularly negative impact.

However, the primary impact on earnings came from other expenses, which rose to USD 15.26 million from USD 2.51 million in the prior year. Of this amount, USD 6.24 million was attributable to impairment losses on intangible assets and token rights, compared with USD 1.67 million in the prior year. An additional $3.73 million resulted from fair value losses on unlisted project investments, compared to $0.83 million in the prior year. Added to this were specific write-offs of receivables totaling $3.94 million, provisions for expected credit losses of $0.60 million, and a loss of $0.44 million from the liquidation of an equity investment.

On this basis, an operating loss of $15.63 million was reported, compared to an operating profit of $0.99 million in the prior year. In addition, financial expenses increased to $1.35 million, compared to $0.04 million in the prior year. The main factors were net foreign exchange losses of $0.86 million, compared to $0.03 million in the prior year, as well as intra-group loan interest payable to Advanced Blockchain AG in the amount of $0.48 million, which was incurred for the first time. Other financial expenses of approximately $0.01 million were also recorded.

Overall, the high net loss for the year is primarily attributable to non-cash impairments as well as the write-off of historical receivables and project positions. However, these charges should not be viewed merely as technical accounting effects; rather, they reflect a significant reduction in the expected recoverability and realizability of key asset positions. For the 2025 fiscal year, a disclaimer of opinion was no longer issued; instead, only a qualified opinion was provided. The qualification relates to an intra-group balance with Brain Networks Ltd. that cannot be sufficiently substantiated. The background to this is that, in the assessment of the new Executive Board, Brain Networks Ltd.'s previous financial statements did not constitute a sufficiently robust and fully documented basis. The new Executive Board is now addressing these issues retroactively for the period beginning in 2021 in order to establish a reliable basis for accounting and reconciliation at Brain Networks Ltd. as well, thereby laying the groundwork for further improvement in audit quality in the following year.

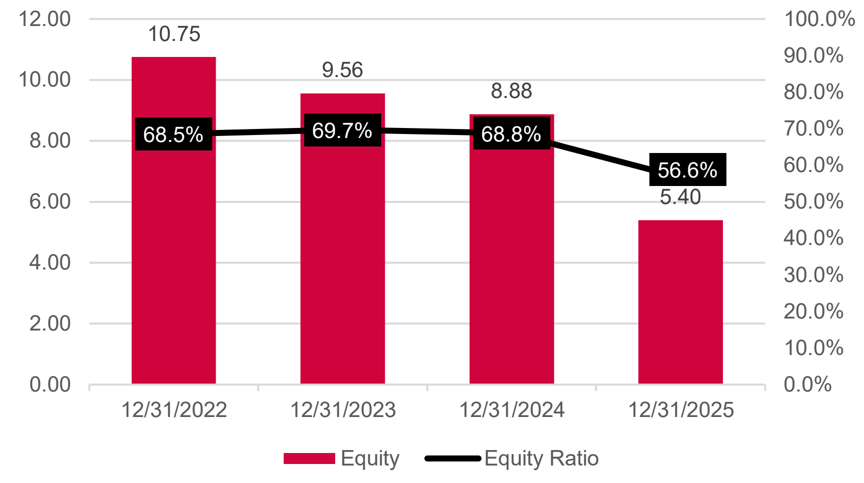
Balance Sheet and Financial Position

in millions of €	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2025
Equity	10.75	9.56	8.88	5.40
Equity Ratio (in %)	68.5%	69.7%	68.8%	56.6%
Operating assets	0.04	0.03	0.02	0.00
Working Capital	-0.13	-0.28	0.00	0.01
Net Financial Assets	13.04	10.85	9.57	6.17

Sources: Advanced Blockchain AG; GBC AG

Advanced Blockchain AG's equity decreased significantly to €5.40 million as of December 31, 2025, down from €8.88 million in the prior year. This decline corresponds almost entirely to the net loss for the year of €3.48 million, compared to €1.78 million in the prior year, as no capital measures were implemented during the reporting year. As a result, subscribed capital and capital reserves remained largely unchanged, while the accumulated deficit increased to €6.65 million from €3.17 million. In conjunction with the total assets, which fell to €9.53 million from €12.91 million in the prior year, the equity ratio decreased to 56.6% from 68.8%. The capital structure thus continues to show a positive equity buffer; however, this has been significantly reduced by the losses of the past two fiscal years.

Statement of Changes in Equity (in € million) and Equity Ratio (in %)



Sources: Advanced Blockchain AG; GBC AG

As of December 31, 2025, total assets fell by 26.2% to €9.53 million, down from €12.91 million in the prior year. On the assets side, this development was primarily attributable to the decline in receivables from affiliated companies as well as in cash and cash equivalents. The parent company's financial position continues to be heavily influenced by intra-group receivables, particularly those due from Incredulous Labs Ltd. The recoverability of these receivables depends largely on the development and monetization of the investment and token portfolio held by that company. The impairment charges recognized during the fiscal year indicate that these receivables are associated with increased valuation and collectability risks.

Cash and cash equivalents declined significantly to €0.11 million as of December 31, 2025, from €0.67 million in the prior year. Consequently, Advanced Blockchain AG had only a limited amount of immediately available liquidity at the balance sheet date. In addition to its existing cash resources, the company was financed in fiscal year 2025 primarily through a partial repayment of the intra-group credit line by Incredulous Labs Ltd. in the amount of €0.80 million.

As a result, the credit line was reduced to €7.67 million. Advanced Blockchain AG's liquidity position thus remains closely linked to the subsidiary's ability to monetize portfolio assets and meet intra-group obligations. A positive development is that Incredulous Labs has demonstrated its fundamental ability to repay the intra-group credit line even in 2025. At the same time, the parent company's liquidity position remains strained given the low cash balance and the continued negative operating cost base.

The total of provisions and liabilities increased slightly to approximately €4.13 million, up from €4.04 million in the prior year. Given the significant decline in equity, the relative proportion of debt has thus increased. However, the balance sheet structure is shaped less by traditional bank liabilities than by the company's holding and financing structure. Therefore, in addition to balance sheet liabilities, the assessment of financial stability depends in particular on liquidity trends, the recoverability of intra-group receivables, and the realizability of the assets held by Incredulous Labs.

Overall, the quality of Advanced Blockchain AG's balance sheet deteriorated from a quantitative perspective in fiscal year 2025. The large net loss for the year led to a significant decline in equity, while at the same time immediately available liquidity decreased noticeably. On a positive note, however, the company continues to maintain an equity ratio of more than 50%, and the impairment charges taken contribute to a more conservative and realistic presentation of its financial position. At the same time, the parent company's balance sheet remains heavily dependent on intra-group receivables and, consequently, on the financial performance of Incredulous Labs Ltd. To achieve a sustainable stabilization of the balance sheet, it is therefore necessary to reduce ongoing losses, successfully monetize the portfolio, and strengthen the liquidity and equity base. The latter could not initially be implemented at the Annual General Meeting in February 2026, as the majority required to pass the resolution on the corresponding capital measures was narrowly missed. Consequently, the company's future ability to secure financing remains a key factor for its continued operational and strategic development.

Financing After the Balance Sheet Date (31.12.2025)

After the balance sheet date, on June 1, 2026, Advanced Blockchain AG secured financing in the form of a six-figure shareholder loan. The funds are intended to support the operational implementation of the "ABAG 2.0" strategy and, in particular, to finance the reactivation and further development of FinPro. The plan is to establish an operational platform with a focus on artificial intelligence and robotics, ABX Analytics, and new tokenization projects. Incredulous Labs, on the other hand, is expected to focus more strongly on the token business in the future.

From a balance sheet perspective, the loan improves short-term liquidity and increases the company's financial flexibility for establishing new operational activities. At the same time, the financing leads to an increase in financial liabilities and is expected to result in additional interest expenses in the future. The shareholder loan does not initially result in any dilution for existing shareholders. Since the company has not disclosed the exact loan amount, interest rate, term, ranking, or repayment terms, the financing costs and impact on debt cannot yet be conclusively assessed.

The measure strengthens the short-term financing base but does not yet represent a permanent solution to the structurally negative operating cash flow situation. The key factor will be whether the financed activities can promptly generate external and recurring revenue, thereby reducing the company's dependence on further loans or portfolio monetization.

Balance Sheet Development of Incredulous Labs Ltd.

Incredulous Labs Ltd.'s equity deteriorated significantly as of December 31, 2025, falling to -7.48 million USD, after an adjusted positive equity of 9.50 million USD had been reported as of the prior year's reporting date. The decrease of USD 16.98 million corresponds to the net loss for fiscal year 2025 and results primarily from extensive impairment charges, fair value losses, and write-offs of receivables. Incredulous Labs thus reports a negative equity position—or net liabilities—for the first time. Consequently, the company's balance sheet risk-bearing capacity has been significantly reduced.

Total assets decreased by 75.1% to USD 5.39 million, compared to an adjusted figure of USD 21.64 million in the prior year. The decline is almost entirely attributable to the revaluation and adjustment of the investment, token, and receivables portfolios. Non-current assets fell to USD 0.47 million from USD 7.74 million. Intangible assets—which include, in particular, token holdings, token rights, and project-related claims—decreased to USD 0.46 million from USD 7.72 million in the prior year as a result of disposals and impairments. Investments in subsidiaries played a minor role, with a book value of only USD 0.01 million.

Current assets also decreased significantly to $4.92 million, down from $13.90 million in the prior year. Financial assets measured at fair value through profit or loss declined to $4.42 million from $8.86 million. This was primarily due to fair value losses of $3.73 million, as well as disposals and derecognitions. The remaining portfolio consists primarily of unlisted project investments, SAFE instruments, and other contractual rights, the valuation of which is based in part on unobservable input factors. Even after the adjustment, the balance sheet thus continues to be characterized significantly by illiquid and estimate-dependent assets.

Receivables and other assets decreased to USD 0.50 million from USD 5.03 million. This was primarily due to the full write-off of historical receivables from a portfolio company in the amount of USD 2.54 million, the write-off of an intra-group receivable from AB Labs FZCO in the amount of USD 1.40 million, and additional allowances for expected credit losses of USD 0.60 million. While this adjustment improves the transparency of the balance sheet, it also significantly reduces the cash inflow expected from these items in the future.

On the liabilities side, total liabilities increased to USD 12.87 million from USD 12.14 million in the prior year. Long-term liabilities amounted to USD 8.32 million, compared to USD 8.80 million, while short-term liabilities rose to USD 4.55 million from USD 3.34 million. Short-term liabilities include, for the first time, a financial liability of USD 1.00 million. Trade payables and other liabilities increased overall to USD 3.63 million, compared to USD 3.34 million. This includes an intra-group liability to Brain Networks Ltd. of approximately USD 0.86 million, the existence and valuation of which are also the subject of the qualification in the auditor's report.

Immediately available liquidity remained extremely low, with bank balances of only USD 3,656, down from USD 9,704. Although reported current assets slightly exceeded current liabilities, current assets consist almost entirely of financial assets and receivables whose value is subject to valuation. Short-term solvency therefore depends less on the balance sheet coverage ratios than on the actual ability to liquidate portfolio positions, the extension of intra-group obligations, and continued support from Advanced Blockchain AG. To ensure the company's continued operations, factors such as subordination and standstill agreements, payment agency agreements, cost controls, and planned asset liquidations were taken into account.

Overall, the 2025 balance sheet represents a far-reaching financial reset. A positive development is that historical assets of limited value have been comprehensively written down, and the balance sheet now provides a more conservative starting point. However, this is offset by a negative equity position, extremely low cash liquidity, and a high dependence on illiquid portfolio assets as well as financial support from the parent company.

VALUATION (GROUP)

We continue to consider the adjusted NAV approach the most appropriate method for valuing Advanced Blockchain AG. Traditional valuation methods such as P/E, EV/EBITDA, and revenue multiples are currently of limited relevance, as the company does not yet have a normalized operating earnings base and its key value drivers primarily comprise equity investments, token rights, project-related assets, and potential portfolio returns. Furthermore, the core portfolio assets are predominantly held by the subsidiary Incredulous Labs Ltd., meaning that Advanced Blockchain AG's standalone financial statements prepared in accordance with the German Commercial Code (HGB) do not fully reflect the Group's economic substance on their own.

A NAV approach was already applied in the previous Research Report. The valuation at that time was based on a valuation of the 15 largest portfolio positions as of June 30, 2025, amounting to USD 15.0 million, as well as a flat-rate premium of 30% for additional appreciation potential. This resulted in a NAV of €15.36 million, or €3.79 per share. The valuation of the 15 largest portfolio positions was updated to approximately USD 7.0 million as of December 30, 2025. However, following the extensive impairment charges in fiscal year 2025, this previous valuation approach is no longer sustainable. The new valuation must be based more heavily on the audited balance sheet values, the fair value measurements as of the end of 2025, and risk-adjusted assumptions for option values not fully recognized on the balance sheet.

As of December 31, 2025, Incredulous Labs reported total assets of 5.39 million USD. At a EUR/USD exchange rate of approximately 1.18, this corresponds to around €4.59 million. This figure included, in particular, financial assets at fair value through profit or loss (FVTPL) of $4.42 million or €3.76 million, intangible assets and token rights of $0.46 million or €0.39 million, as well as receivables and other assets of $0.50 million or €0.43 million. These figures form the balance sheet-based starting point for our valuation.

The carrying amounts already reflect significant write-downs and fair value losses. Incredulous Labs reported a net loss of USD 16.98 million in 2025 and had net liabilities of USD 7.48 million as of the balance sheet date. The financial statements describe this development as a conservative but realistic restatement of historical positions for accounting purposes. At the same time, governance, wallet management, reconciliation, and financial reporting processes were significantly and comprehensively improved. In our view, this creates a lower but more robust valuation anchor for future performance.

The PEAQ position continues to represent a significant special case. Incredulous Labs holds a claim to 88.06 million PEAQ tokens, of which only a small portion was transferable as of the balance sheet date. The PEAQ-related value recognized on the balance sheet is very low and reflects, in particular, IAS 38 accounting, the price decline in 2025, vesting effects, and limited availability. For our optimistic scenario, we therefore do not value the PEAQ position at book value but instead consider a risk-adjusted economic option value. This assumes that the tokens will become available over several years, do not have to be sold entirely at the current spot price, and that the DePIN ecosystem continues to develop operationally.

Furthermore, we factor in selective potential for value recovery in individual core investments. From a research perspective, the most important positions include PEAQ, Panoptic, zCloak, and Silencio, as well as longer-term exposure to DeFi, AI/robotics, and decentralized infrastructure. In our view, this focus increases the transparency of the investment case and justifies a premium over the purely balance-sheet values.

In addition, we see limited option value arising from the operational realignment under ABAG 2.0. The annual financial statements describe the Group's strategic development, including with regard to tokenization, digital assets, ABX Analytics, FINPRO, the use of the Dubai/UAE license, and potential activities in the field of AI/robotics. These activities do not yet have a solid revenue and earnings base. They are therefore not valued as an established operating business, but merely as strategic optionality with a high execution risk.

Based on this, the following optimistic, currency-adjusted NAV calculation results:

NAV Component	Valuation
Carrying Value of Incredulous Labs Assets	€4.59 million
Risk-adjusted added value of PEAQ/token rights above book value	€3.30 million
Selective premium on core investments	€2.40 million
Other monetizable residual positions	€1.40 million
ABAG 2.0, ABX, FINPRO, Dubai/UAE license, and AI/Robotics	€1.90 million
Additional off-balance-sheet potential	€1.11 million
Gross asset value	**€14.70 million**

From this gross asset value, we deduct external obligations and financing discounts totaling €4.58 million. This deduction includes external liabilities and provisions of Advanced Blockchain AG, external obligations at the Incredulous Labs level, and a safety margin for financing raised after the balance sheet date. Intragroup receivables and liabilities are eliminated in our group valuation to avoid double counting. This is particularly important because Advanced Blockchain AG recognizes receivables from subsidiaries, while Incredulous Labs, conversely, reports intra-group liabilities to the parent company and affiliated companies.

In addition, we factor in a present value of future holding costs of €2.00 million. This does not represent the expected costs for a single year, but rather the discounted net holding costs for the coming years. This discount reflects the continuing negative operating cost base, as well as costs for listing, auditing, legal, administration, and investor relations, along with transition expenses for establishing the new operating activities. However, the company anticipates a reduction in these costs going forward. Since we already factor in risk-adjusted future assumptions for value recoveries, token rights, and operational option values on the portfolio value side, it is methodologically consistent to also include the holding costs that will be incurred over several years until sustainable stabilization is achieved in the valuation.

Adjusted NAV Calculation	Value
Gross Asset Value	€14.70 million
External obligations and financing discounts	-€4.58 million
Present value of holding costs	-€2.00 million
Adjusted NAV	**€8.12 million**
Outstanding shares	4.06 million
Fair value per share	**€2.00**

The fair value per share is calculated by dividing the adjusted NAV of €8.12 million by 4.06 million outstanding shares. The price target of €2.00 therefore does not assume a return to the previous NAV of €3.79 per share. However, it does assume a partial recovery in the value of selected portfolio positions, a risk-adjusted monetization of PEAQ/token rights, declining extraordinary costs, and initial progress in the operational realignment.

The stock remains dependent on token markets, portfolio monetization, financing opportunities, and the successful implementation of ABAG 2.0. However, we view the significantly streamlined balance sheet, improved governance, the focus on a few potential value drivers, and the potential for additional revenue from ABX Analytics, FINPRO, and the Dubai/UAE license as positive factors. Based on our optimistic adjusted NAV model, we assign a BUY rating with a price target of €2.00.

Peer Group Analysis

Due to limited publicly disclosed financial information and the uniqueness of the business model, there are currently no comparable publicly traded competitors. Therefore, we are currently unable to perform a valuation based on comparable companies.

FORECAST MODEL

In accordance with Section 21 (1c) of the General Terms and Conditions of Deutsche Börse AG for the Open Market (Freiverkehr) of the Frankfurt Stock Exchange, a research update must include an updated forecast model. 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 evaluate the company, we do not consider it appropriate to use a forecast model for revenue and earnings metrics. Instead, we focus on estimating the value of the investments.

We believe that a forecasting model for investment companies such as Advanced Blockchain AG does not provide investors with meaningful and useful insights. Potential revenues and earnings in this industry are highly volatile, and we believe that the valuation of the investment company should be based primarily on the valuation of its investments and projects.

To comply with the legal requirements under Section 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 forecasting model is merely supplementary.

P&L Forecast of Advanced Blockchain AG (in millions of €)	FY 2026e
Revenue	0.50
EBITDA	-1.10
EBITDA Margin	-220%

Source: GBC AG;

Consolidated financial statements are not yet available, and the figures therefore remain subject to considerable uncertainty. In addition, the business model is highly volatile, making short-term forecasts difficult and potentially subject to significant deviations.

However, we would like to reiterate and emphasize that the above forecasts should be viewed as extremely volatile. This is due to the inherent volatility of Advanced Blockchain as an investment company operating in a young and highly volatile market environment, namely the crypto sector. Therefore, we believe that relying solely on the above-mentioned forecasts to evaluate the company would not be sensible or appropriate. This could lead to an inaccurate valuation of the company.

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 aligns with the unique characteristics of the company and the industry in which it operates.

APPENDIX

I. Research under MiFID II

1. A contract exists between the research company GBC AG and the issuer regarding the independent creation and publication of this research report about the respective issuer. GBC AG is compensated by the issuer for this service. If this is the case, it will be noted accordingly in the respective study.

2. The research report is made available simultaneously to all interested securities service providers.

OR

3. If the studies are not commissioned by the issuer, they are created independently. The creation of the study is also not influenced by third parties.

4. The research report is widely distributed and made publicly accessible, not just exclusively to specific customers and investors. Therefore, the research study is also classified as a "minor non-monetary benefit" and is thus MiFID II compliant.

II. §1 Disclaimer / Liability Disclaimer

This document is for informational purposes only. All data and information in this study come from sources that GBC considers reliable. Furthermore, the authors have made the greatest possible effort to ensure that the facts used and the opinions presented are appropriate and accurate. However, no guarantee or liability is assumed for their accuracy—either expressly or implicitly. Moreover, all information may be incomplete or summarized. Neither GBC nor the individual authors accept liability for damages resulting from the use of this document or its contents or otherwise in connection with it.

We also point out that this document does not represent an invitation to subscribe to or purchase any security and should not be interpreted as such. It may not be used, nor any part of it, as the basis for a binding contract of any kind, nor should it be relied upon in this regard. A decision related to a potential sale offer of securities of the company or companies discussed in this publication should solely be based on information in the prospectuses or offer letters issued in connection with such an offer.

GBC does not guarantee that the implied returns or stated price targets will be achieved. Changes in the relevant assumptions underlying this document may have a material impact on the expected returns. Income from investments is subject to fluctuations. Investment decisions always require advice from an investment advisor. Therefore, this document cannot take on an advisory function.

Distribution outside the Federal Republic of Germany:

This publication is distributed in the United Kingdom only to persons who (i) are authorized persons or exempt persons within the meaning of the Financial Services and Markets Act 2000 (FSMA) or (ii) fall within the definition of relevant persons under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time. This publication is not directed at retail clients within the meaning of the rules of the Financial Conduct Authority (FCA) and must not be distributed to, or relied upon by, such persons. This publication does not constitute an offer, solicitation or recommendation to acquire or dispose of any financial instruments for the purposes of the FSMA. No person other than a relevant person may rely on this publication or take any action based upon its contents. The distribution of this publication may be restricted by law in certain jurisdictions. Persons into whose possession this publication comes are required to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities or financial market laws.

Neither this document nor any copy thereof may be brought, transferred, or distributed into the United States of America or its territories or possessions. The distribution of this document in Canada, Japan, or other jurisdictions may be restricted by law, and persons in possession of this publication should inform themselves of and comply with any restrictions. Any failure to observe these restrictions could constitute a violation of U.S., Canadian, or Japanese securities laws or the laws of another jurisdiction.

By accepting this document, you accept the disclaimer and the aforementioned restrictions. The disclaimer/legal notice can also be found at: https://www.gbc-ag.de/de/Disclaimer

Legal Notices and Disclosures under § 85 WpHG and FinAnV

The notices can also be found on the internet at the following address: https://www.gbc-ag.de/de/Offenlegung

§ 2 (I) Update:

A specific update of the present analysis to a fixed date is not yet scheduled. GBC AG reserves the right to update the analysis without prior notice.

§ 2 (II) Recommendation / Ratings / Rating:

Since July 1, 2006, GBC AG has used a 3-tier absolute stock rating system. Since July 1, 2007, the ratings refer to a time horizon of at least 6 and up to a maximum of 18 months. Prior to that, the ratings referred to a time horizon of up to 12 months. Upon publication of the analysis, investment recommendations are determined based on the ratings described below, considering the expected return. Temporary price deviations outside of these ranges do not automatically lead to a change in the classification, but may prompt a revision of the original recommendation.

The respective recommendations/ratings are associated with the following expectations:

BUY	The expected return, based on the determined target price, including dividends, within the corresponding time horizon is >= +10%.
HOLD	The expected return, based on the determined target price, including dividends, within the corresponding time horizon is > -10% and < +10%.
SELL	The expected return, based on the determined target price, including dividends, within the corresponding time horizon is <= -10%.

The target prices of GBC AG are determined based on the fair value per share, calculated using generally accepted and widely used fundamental analysis methods, such as the DCF method, peer-group comparison, and/or the sum-of-the-parts method. This takes into account fundamental factors such as stock splits, capital reductions, capital increases, M&A activities, share buybacks, etc.

§ 2 (III) Historical Recommendations:

Historical recommendations by GBC for the present analysis can be viewed on the internet at: https://www.gbc-ag.de/de/Offenlegung

§ 2 (IV) Information Basis:

Publicly available information about the issuer(s), (where available, the last three published business and quarterly reports, ad-hoc announcements, press releases, securities prospectus, company presentations, etc.) was used to create this analysis, which GBC considers reliable. Additionally, conversations with the management of the relevant companies were conducted to gain further insights into the business developments.

§ 2 (V) 1. Conflicts of Interest under § 85 WpHG and Art. 20 MAR:

GBC AG and the responsible analyst hereby declare that the following potential conflicts of interest exist for the company(ies) named in the analysis at the time of publication, and they comply with the obligations of § 85 WpHG and Art. 20 MAR. An exact explanation of the potential conflicts of interest is listed below in the catalog of potential conflicts of interest under § 2 (V) 2.

Regarding the securities or financial instruments discussed in the analysis, the following potential conflict of interest exists: (5a,11)

§ 2 (V) 2. Catalog of Potential Conflicts of Interest:

(1) GBC AG or a legal entity affiliated with it holds shares or other financial instruments in the analyzed company or financial instrument at the time of publication.

(2) This company holds more than 3% of the shares in GBC AG or a legal entity affiliated with it.

(3) GBC AG or a legal entity affiliated with it is a market maker or designated sponsor for the financial instruments of this company.

(4) GBC AG or a legal entity affiliated with it was involved in the public issuance of financial instruments of this company in the past 12 months, either as lead or co-manager.

(5) a) GBC AG or a legal entity affiliated with it has entered into an agreement for the creation of research reports against payment with this company or issuer of the analyzed financial instrument in the past 12 months. As part of this agreement, the issuer was given access to the draft of the financial analysis (without the valuation part) before publication.

(5) b) The draft of the financial analysis was amended based on legitimate comments from the company or issuer.

(6) a) GBC AG or a legal entity affiliated with it has entered into an agreement for the creation of research reports against payment with a third party about this company or financial instrument in the past 12 months. As part of this agreement, the third party and/or the company and/or issuer of the financial instrument was given access to the draft of the analysis (without the valuation part) before publication.

(6) b) The draft of the financial analysis was amended based on legitimate comments from the third party and/or issuer.

(7) The responsible analyst, chief analyst, deputy chief analyst, or any other person involved in the preparation of the study holds shares or other financial instruments in this company at the time of publication.

(8) The responsible analyst is a member of the company's board or supervisory board.

(9) The responsible analyst received or purchased shares in the company they analyzed before the public offering.

(10) GBC AG or a legal entity affiliated with it entered into an agreement for consulting services with the analyzed company in the past 12 months.

(11) GBC AG or a legal entity affiliated with it has significant financial interests in the analyzed company, such as acquiring and/or exercising mandates at the analyzed company or providing services to the analyzed company (e.g., presentation at conferences, roundtables, roadshows, etc.).

(12) The analyzed company is involved in a financial instrument or financial product (such as a certificate or fund) managed or advised by GBC AG or a legal entity affiliated with it.

§ 2 (V) 3. Compliance:

GBC has internal regulatory measures in place to prevent potential conflicts of interest or disclose them if they exist. The person responsible for ensuring compliance is the current Compliance Officer, Karin Jägg, Email: jaegg@gbc-ag.de.

§ 2 (VI) Responsible for Creation:

The responsible company for creating this analysis is GBC AG, based in Augsburg, which is registered as a research institute with the relevant regulatory authority (Federal Financial Supervisory Authority (BaFin), Marie-Curie-Str. 24-28, 60439 Frankfurt).

GBC AG is currently represented by its board members Manuel Hölzle (Chairman) and Jörg Grunwald.

The analysts responsible for this analysis are:

Matthias Greiffenberger, M.Sc., M.A., Financial Analyst

Cosmin Filker, Dipl.-Betriebswirt (FH), Deputy Chief Analyst

§ 3 Copyrights

GBC AG
Halderstraße 27
D-86150 Augsburg
Tel.: 0821/24 11 33-0
Fax: 0821/24 11 33-30
Website: http://www.gbc-ag.de

Email: compliance@gbc-ag.de

GBC AG®
- RESEARCH & INVESTMENT ANALYSIS -

GBC AG
Halderstraße 27
86150 Augsburg
Germany

Website: http://www.gbc-ag.de
Fax: ++49 (0)821/241133-30
Phone: ++49 (0)821/241133-0
Email: office@gbc-ag.de