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 Note on research as a “minor non-monetary benefit” according to the MiFID II regulation: This research meets the requirements for being classified as a “minor non-monetary benefit”. For more information, see the disclosure under “I. Research under MiFID II”  
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## 23/11/2018 – Interview with BIG Blockchain Intelligence Group

Company: BIG Blockchain Intelligence Group Inc. <sup>\*5a,5b,7,11</sup>

ISIN: CA08906Q1000

Reason for the Research Comment: Interview

Analyst: Matthias Greiffenberger, Harald Hof

Current Share Price: Tradegate: 0,053€ (23.11.18; 08:47)

Target price: 1,03 CAD; 0,69 EUR

Rating: BUY

Date of completion/Date of first distribution: 23/11/18 (10:45 am) / 23/11/18 (11.30 am)

<sup>\*</sup>catalogue of potential conflicts of interests on page 4

**GBC AG:** With the initial release of Bitcoin in January of 2009, blockchain technology has been growing and evolving. What does BIG provide to the Blockchain ecosystem?

**Lance Morginn:** First and foremost, Bitcoin is not asset or government backed. It's value is a perceived value which means it's vulnerable to negative news especially in these early days. Our tag line is “Bringing Security & Accountability to Cryptocurrency”. We provide law enforcement and the financial sector with the a number of proprietary services. Services such as QLU<sup>TM</sup>, which offers deep forensics with granular information about cryptocurrency transactions and the entities behind them. And then there's our BitRank Verified<sup>®</sup> service, which offers a frontline risk-mitigation defense to assess if an address has been involved in illicit transactions. Our forensics division, meanwhile, provides law firms, law enforcement and financial organizations with access to world class crypto investigators and investigative services for cases they need assistance with. Between our in-house services and our custom investigations service, we are positioned to offer the most comprehensive suite of services in the cryptocurrency compliance and investigations arena.

**GBC AG:** Cryptocurrencies suffered a significant drop in value over the last year. What are the reasons for this and how does this impact BIG?

**Lance Morginn:** Personally, I believe the decline in value is related to the market's understandable lack of education. The run-up in the market was brought on by traditional stock market traders that were looking to jump on the next hottest sector. When it started gaining significant momentum in value, the old saying came into effect: when supply is low and demand is high, the price will climb extremely quickly. That's exactly what happened, and the rest of the market was still not informed enough to know what the difference is between blockchain, crypto and an ICO. That lack of fundamental understanding then contributed to the resulting decline. A number of other things contributed to the decline in value after December 2017 too: first was the announcement that China would not recognize crypto as an asset due to a terrorist attack last fall in China that was financed via crypto. China was also concerned about the flight of capital and the volatility that we are seeing with cryptocurrencies and how their citizens may have a loss. The second cause for the correction was that every January, over the last 4 years, all cryptocurrencies have declined in value. Third, South Korea announced a crackdown on exchanges because of the lack of Know Your Customer (KYC) information being requested by exchanges. Fourth, the Finance Minister of India announced they do not recognize cryptocurrency as legal tender. You couple all these factors together, along with the lack

of understanding that the average individual has of the sector, and that's the reason the pricing of crypto and where it's at today. The good news for BIG, however, is that as long as crypto has a form of value and the criminal element could be using it as a mechanism of payment, our services are more than necessary to our clients, so this decline does not impact us in a long run. The fundamentals of the industry are still intact.

**GBC AG:** How will additional regulation impact blockchain technology?

**Lance Morginn:** We believe additional regulation will have a positive impact on the industry. The more regulation that occurs, the more of a demand we will see for our services, so we welcome it.

**GBC AG:** BIG Blockchain Intelligence Group Executive Chairman, Shone Anstey, was a Keynote Speaker at NATO's Cyber Security Lecture Series. How can BIG help mitigate the exposure and exploitation of cryptocurrency?

**Lance Morginn:** We have developed sophisticated cryptocurrency analytics and risk-mitigation software and techniques that are available for easy-to-use consumption inside our primary products: QLUE™ and BitRank Verified®. Our services help identify nefarious transactions across the Bitcoin network and relay actionable intel to cybersecurity and compliance professionals who use our service.

**GBC AG:** BIG's share price has fallen since December. How much cash is still left and what's your view on the current situation?

**Lance Morginn:** We have just over 13 million CDN in the bank and, as I mentioned earlier, the overall industry is currently a bear market. I believe that as the market starts to turn around, and as we ramp up our marketing efforts, the industry will realize how uniquely positioned we are compared to other blockchain companies.

**GBC AG:** BIG's primary products are BitRank Verified® and QLUE™. Could you give us an update about the current status of these products?

**Lance Morginn:** We continued onboarding clients in 2018, and have been collecting feedback from these clients to enhance our services. We have always had the mandate to release very polished products and we are sticking to that mandate. Unfortunately, answering this question in any more detail is a little difficult being that we are a public company and aren't at liberty to disclose developments that haven't been officially released yet.

**GBC AG:** What are BIG's mid/long term goals regarding the business?

**Lance Morginn:** Continue to enhance our service offerings and position the company as offering the most comprehensive suite of services relative to investigations and compliance in the cryptocurrency space.

**GBC AG:** Thank you, Lance Morginn.

## ANNEX

### I.

#### **Research under MiFID II**

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