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12.07.2022 – GBC Management interview with Simon Telian, CEO of Advanced Blockchain AG

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

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**Catalogue of possible conflicts of interest on page 5*

Advanced Blockchain AG, is an agile venture builder and investor in the blockchain ecosystem. The company is equipped with a comprehensive team of developers, researchers, auditors, economists, and mathematicians that are dedicated to engineering the future of our internet – termed “Web3”.

The company announced important strategic adjustments to Advanced Blockchain AG’s management team as it prepares for its next growth period with a leaner operations team, spearheaded by Simon Telian from August 31st onwards.

GBC AG: M. Geike, can you explain to us the motivation to leave Advanced Blockchain AG and pursue other projects? Are any of these upcoming projects linked with Advanced Blockchain AG?

M. Geike (departing CEO): I have been part of Advanced Blockchain AG since I co-founded the company in 2017 and during this time, my focus has always remained on growing the company to fulfill our mission. I want to thank my entire team for how far we have come as a collective. However, with all the opportunities the current market is providing, it is the right time for me to seek new entrepreneurial challenges and hand the company over to Simon. He has proven himself successfully over several years within our group as a competent candidate to run the organization.

GBC AG: Will you maintain any role at Advanced Blockchain AG after leaving on August 31st?

M. Geike: Yes – I will stay closely linked to the Advanced Blockchain AG ecosystem. I gave my all to build the company from scratch over the last few years. It is only natural for me to continue to closely support the company's vision to build the digital infrastructure of the future. After my exit, I want to support Simon, especially during his first weeks as CEO, alongside Florian Reike and our two new supervisory board members.

GBC AG: You bought company shares on the open market in the past week. That reiterates your confidence in the company. What are you most proud of during your period as Advanced Blockchain AG CEO and is the Company ready for its best phase yet?

M. Geike: Not just me, the entire team at Advanced Blockchain AG is confident in the direction we are heading towards, and our potential is sky-high – I purchased company shares on the open market in the current bear phase that we are going through as an

industry, to show my ever-present support to the company. We made numerous shrewd-investments in the last bull cycle and it is natural for the market to experience ups and downs. As the first publicly listed blockchain company in Germany, our entire team has been granted an advantage by being at this point already seasoned "veterans" in an upcoming industry. They will use these skills for future incubations and investments as well! As the new CEO, I believe that Simon will be able to leverage the current "crypto winter" to build and establish all required workflows and operational structures. The goal is to create a robust foundation through Simon's expertise for the next growth phase of the company and the industry at large. Simon will provide further insights and cover all relevant details about our strategy moving forward.

GBC AG: S.Telian can you give me a quick rundown of the broader changes in the management of the company?

S. Telian (New CEO): With the current market climate comes great challenges but also great opportunities, and we have restructured the management team to accelerate forward in this important growth period for Advanced Blockchain AG. With effect from 31st August, my appointment as CEO will become legally effective. Michael has stepped down from his role as CEO and will continue working with us in a new strategic role. We look forward to sharing more details about this important step soon. Robin Davids has resigned from our management and will step down on 8th July, due to the recent restructuring. We thank him for the great work he has done in a short period. The ongoing development of incubations will be managed by Christopher Kraft – as Head of AB Labs and our incubation arm. Martin Rubensdörffer and Michael Ganser have left the Supervisory Board – Sam Winkel has taken over proceedings and will become Chairman of the board. Marcus Deetz has joined the new supervisory board team with previous responsibilities still intact, thereby upholding core values while looking ahead. We are extremely confident in this new management team and believe it will be the chariot that carries us forward in this exciting new phase of the company.

GBC AG: These changes coincide with the sector's difficulties. How are you adjusting the company's strategy accordingly?

S. Telian: I am committed to investing in the future of blockchain and DeFi applications. We're extremely confident that what's coming will make our patience during these trying times pay off and will use this time to focus on what we truly want to achieve and how. We want nothing less than for Advanced Blockchain AG to be able to provide continued support through development services and consulting as well as passing on experience from one project- incubation process/business model change to another so everyone can grow together. In addition, reducing operating costs was also part of our holistic strategy – which seemed reasonable considering current difficulties. All of our existing incubations will be continued with a long-term focus. The room for that maneuver was enabled by the savings that will help us to sufficiently continue our operating business.

GBC AG: Do you expect the company to have to raise money during the next 12 months?

S. Telian: There are no plans for a capital increase or any other type of capital raising by Advanced Blockchain AG. We can execute our business plan and continue to generate income from our portfolio companies and remaining assets. We believe that the "crypto winter" is an opportunity for Advanced Blockchain AG to position itself even stronger going forward.

GBC AG: Can you give us your views on the sector's current difficulties and your outlook on the near and mid-term for the sector?

S. Telian: Aside from the overall macroeconomic situation one difficulty is the unclear regulatory framework for decentralized financial services. After recent events around the UST collapse, we expect regulations to be clarified soon and that would determine the direction moving forward. Another difficulty is the current lack of understanding of the innovative solutions blockchain technology enables. Of course, this presents an opportunity for all to explore new markets and develop new solutions. From our perspective, these difficulties are rather short-term in nature, and we remain very confident in the sector's prospects over the mid- to long-term.

GBC AG: This could be a sound time for the sector to consolidate. Do you expect to see a lot of M&A activities in the near term?

S. Telian: M&A activities are definitely expected in the near-term, not just in our sector but also in traditional industries that are starting to pay attention to blockchain technology and its potential applications. For example, we have already seen a lot of M&A activity in the crypto mining industry as well as in the traditional financial sector. We expect the trend to continue and for parts of the blockchain sector to become increasingly consolidated, as it is strategically benefiting larger players to integrate smaller upcoming protocols to scale.

GBC AG: What are the projects, financed or incubated, that currently have the most potential and value in your portfolio if you had to name only three? And what is your vision as the new CEO of the company?

S. Telian: Speaking of value – our flagship incubation remains Composable Finance with a valuation based on the last capital raise of USD 400 million. Composable provides a sound technical framework for Web3 Infrastructure and enables users to engage in seamless cross-chain value transfers, thereby solving one of the industry's biggest problems. Our most promising early-stage incubations are Panoptic and Quasar; both will provide innovative solutions in a billion-dollar market to accelerate development. Overall, picking the most promising out of all is like picking a favorite child – you simply don't do it and we are extremely proud of all our team members. Our collective vision is to develop the infrastructure of the internet of now and the future. We want to bring decentralization to the masses and help businesses benefit from the endless use cases of blockchain technology.

GBC AG: Mr. Telian and Mr. Geike – thank you for your time

Both: It was a pleasure to collaborate on the interview with you.

Note: GBC initial research coverage is coming soon

We are currently working on the initial coverage of an Advanced Blockchain research report, which should be published soon.

ANNEX

I.

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