

## Cryptology Asset Group plc <sup>\*5a,6a,7,11</sup>

**Rating: BUY**  
**Target price: € 18.35**

Current price: € 8.30  
 27/07/2021 / 02.00 pm  
 Currency: EUR

Base data:  
 ISIN: MT0001770107  
 WKN: A2JDEW  
 Ticker symbol: CAP:GR  
 Number of shares<sup>3</sup>: 57.12  
 Marketcap<sup>3</sup>: 474.10  
<sup>3</sup> in million / in € million  
 Freefloat: 50.44 %

Market segment:  
 Freiverkehr  
 Accounting:  
 IFRS

Financial year: 31/12

### Analysts:

Felix Haugg  
 haugg@gbc-ag.de

Julien Desrosiers  
 desrosiers@gbc-ag.de

\* List of possible conflicts of interest on page **Error!**  
**Bookmark not defined.**

Date (time) of completion  
 27/07/2021 (04.35 pm)

Date (time) first distribution:  
 28/07/2021 (10.00 am)

Target price valid until:  
 max. 31/12/2022

### Company Profile

Industry: Investment company  
 Focus: Crypto assets and blockchain technologies

Employees: 2 (2020)

Founded: 2018

Headquarters: Sliema (Malta)

Management: Patrick Lowry (CEO), Edwin Zammit (CFO),  
 Jefim Gewiet (COO)

Cryptology is a leading European investment firm for crypto assets and blockchain-related business models. Founded by Christian Angermayer's family office, Apeiron Investment Group, and crypto legend Mike Novogratz, Cryptology is the largest listed investment firm for blockchain and crypto-based business models in Europe. Notable portfolio companies include crypto giant and EOS.IO software maker Block.one, leading HPC provider Northern Data, commission-free online neobroker nextmarkets, and crypto asset management group Iconic Holding.

P&L in €m, financial year-end	31/12/2018	31/12/2019	31/12/2020
Total comprehensive income	6.99	36.92	239.73
Revenue	2.65	15.00	2.55
Net profit from sale of AFS	0.00	0.00	8.70
EBIT	-2.23	2.5	10.62

Key figures in EUR			
Earnings per share	0.13	0.68	4.39
Dividend per share	0.00	0.00	0.00

Key figures in €m			
Financial assets/cash in € million	36.87	79.99	328.59
Equity in € million	30.31	70.54	308.60

### Financial calendar

30/09/2021: Half-Year report 2021

### \*\*Last research by GBC:

Date: publication / target price / rating

06/07/2021: RS / 358.43 / BUY

\*\* the research reports can be found on our website [www.gbc-ag.de](http://www.gbc-ag.de) or can be requested at GBC AG, Halderstr. 27, D-86150 Augsburg

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"

## Cryptology share split in a ratio of 1:20 executed; price target increased to (after split) €18.35; Rating: Buy

Cryptology Asset Group plc (Cryptology for short) has completed the previously announced 1:20 share split as of July 27, 2021. The resolution for the share split was approved by shareholders at an extraordinary general meeting on July 20, 2021. Each share was thus split into 20 shares. As a result of the completed stock split, Cryptology's share count will increase to 64.00 million shares of common stock.

As a result of the share split, tradability and access for investors should once again become significantly more attractive. Overall, we believe that this measure will increase the liquidity of the stock and consequently increase the tradability of the shares. In addition, the company is striving for an international listing in addition to the German stock exchange listing. Currently, Cryptology's shares are listed on several German stock exchanges, such as the Düsseldorf Stock Exchange, Gettex and Tradegate. An international listing would also have a positive effect on the liquidity and tradability of the share.

### Updated calculation GBC Fair NAV per share of Cryptology Asset Group

	27/07/2021
Cryptology's share in Northern Data AG	13.9%
Fair Value Northern Data AG per share *	152.00 €
Calculated fair value of Northern Data AG (in € million)	2,499.44
<b>Northern Data investment (in € million)</b>	<b>346.67</b>
<b>Financial assets/marketable securities/cash and cash equivalents</b>	
Block.One (incl. Bullish-Plattform) (in € million)	652.03
nextmarkets (in € million)	45.44
cloudeo (in € million)	7.15
Iconic Holding (in € million)	2.23
Bottlepay (in € million)	0.59
<b>Total Fair Value of Investments (in € million)</b>	<b>1,063.17</b>
Net debt + holding cost (discounted)	-15.34
<b>Fair Value of Investments (in € million)</b>	<b>1,047.83</b>
Number of shares Cryptology Asset Group (in million)	57.12
<b>Fair NAV Cryptology Asset Group</b>	<b>18.35</b>

Sources: Cryptology Asset Group, GBC AG; \*consensus price target S&P Capital IQ database (target price)(as of 27/07/2021)

Against the background of the share split carried out on July 27, 2021, we have updated our NAV valuation of Cryptology. In addition to taking into account the increased number of shares, the positive development of cryptocurrencies was also included in our valuation model. Based on our updated fair NAV valuation, we have determined a price target per share of €18.31 (previously: €17.92 (adjusted)). This corresponds to a price potential of more than 120%. We continue to assign a Buy rating.

## ANNEX

### I.

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

1. There is a contract between the research company GBC AG and the issuer regarding the independent preparation and publication of this research report on the issuer. GBC AG is remunerated for this by the issuer.
2. The research report is simultaneously made available to all interested investment services companies.

### II.

#### **Section 1 Disclaimer and exclusion of liability**

This document is intended solely for information purposes. All data and information in this study come from sources that GBC regards as reliable. In addition, the authors have taken every care to ensure that the facts and opinions presented here are appropriate and accurate. Nevertheless, no guarantee or liability can be accepted for their correctness – whether explicitly or implicitly. In addition, all information may be incomplete or summarized. Neither GBC nor the individual authors accept liability for any damage which may arise as the result of using this document or its contents, or in any other way in this connection.

We would also point out that this document does not constitute an invitation to subscribe to nor to purchase any securities and must not be interpreted in this way. Nor may it nor any part of it be used as the basis for a binding contract of any kind whatsoever, or be cited as a reliable source in this context. Any decision relating to the probable offer for sale of securities for the company or companies discussed in this publication should be taken solely on the basis of information in the prospectuses or offer documents which are issued in relation to any such offer.

GBC does not provide any guarantee that the indicated returns or stated target prices will be achieved. Changes to the relevant assumptions on which this document is based can have a material impact on the targeted returns. Income from investments is subject to fluctuations. Investment decisions should always be made with the assistance of an investment advisor. This document cannot replace the role of an advisor.

Sale outside the Federal Republic of Germany:

This publication, if sold in the UK, may only be made available to those persons who, in the meaning of the Financial Services Act 1986 are authorized and exempt, or persons as defined in section 9 (3) of the Financial Services Act 1986 (Investment Advertisement) (Exemptions) Decree 1988 (amended version) and must not be transmitted directly or indirectly to other persons or groups of persons.

Neither this document nor any copy of it may be taken into, transferred to or distributed within the United States of America or its territories and possessions. The distribution of this document in Canada, Japan or other jurisdictions may be restricted by law, and persons who come into possession of this publication should find out about any such restrictions and respect them. Any failure to respect these restrictions may represent a breach of the US, Canadian or Japanese securities laws or laws governing another jurisdiction.

By accepting this document, you accept all disclaimers of liability and the restrictions cited above. You can find the details of this disclaimer/exclusion of liability at:

<http://www.gbc-ag.de/de/Disclaimer>

#### **Legal information and disclosures as required by section 85 of Securities Trading Act (WpHG) and Financial Analysis Directive (FinAnV)**

This information can also be found on the internet at the following address:

<http://www.gbc-ag.de/de/Offenlegung>

#### **Section 2 (I) Updates**

A detailed update of the present analysis/analyses at any fixed date has not been planned at the current time. GBC AG reserves the right to update the analysis without prior notice.

#### **Section 2 (II) Recommendation/ Classifications/ Rating**

Since 1/7/2006 GBC AG has used a 3-level absolute share rating system. Since 1/7/2007 these ratings relate to a time horizon of a minimum of 6 to a maximum of 18 months. Previously the ratings related to a time horizon of up to 12 months. When the analysis is published, the investment recommendations are defined based on the categories described below, including reference to the expected returns. Temporary price fluctuations outside of these ranges do not automatically lead to a change in classification, but can result in a revision of the original recommendation.

**The recommendations/ classifications/ ratings are linked to the following expectations:**

BUY	The expected return, based on the derived target price, incl. dividend payments within the rel 10%.
HOLD	The expected return, based on the derived target price, incl. dividend payments within the rel 10% and < + 10%.
SELL	The expected return, based on the calculated target price, incl. dividend payments within the <= - 10%.

GBC AG's target prices are determined using the fair value per share, derived using generally recognized and widely used methods of fundamental analysis, such as the DCF process, peer-group benchmarking and/or the sum-of-the-parts process. This is done by including fundamental factors such as e.g. share splits, capital reductions, capital increases, M&A activities, share buybacks, etc.

**Section 2 (III) Past recommendations**

Past recommendations by GBC on the current analysis/analyses can be found on the internet at the following address:

<http://www.gbc-ag.de/de/Offenlegung>

**Section 2 (IV) Information basis**

For the creation of the present analysis/analyses publicly available information was used about the issuer(s) (where available, the last three published annual and quarterly reports, ad hoc announcements, press releases, share prospectuses, company presentations, etc.) which GBC believes to be reliable. In addition, discussions were held with the management of the company/companies involved, for the creation of this analysis/these analyses, in order to review in more detail the information relating to business trends.

**Section 2 (V) 1, Conflicts of interest as defined in section 85 of the Securities Trading Act (WpHG)**

GBC AG and the analysts concerned hereby declare that the following potential conflicts of interest exist for the company/companies described. at the time of this publication, and in so doing meet the requirements of section 85 of the Securities Trading Act (WpHG). A detailed explanation of potential conflicts of interest is also listed in the catalogue of potential conflicts of interest under section 2 (V) 2.

**In relation to the security or financial instrument discussed in this analysis the following possible conflict of interest exists: (5a,6a,7,11)**

**section 2 (V) 2, Catalogue of potential conflicts of interest**

- (1) At the time of publication, GBC AG or a legal entity affiliated with it holds shares or other financial instruments in the company analyzed or the financial instrument or financial product analyzed. (2) This company holds over 3% of the shares in GBC AG or a legal person connected to them.
- (3) GBC AG or a legal person connected to them is a market maker or designated sponsor for the financial instruments of this company.
- (4) GBC AG or a legal person connected to them has, over the previous 12 months, organized or played a leading role in the public issue of financial instruments for this company.
- (5) a) GBC AG or a legal entity affiliated with it has concluded an agreement with this company or issuer of the analyzed financial instrument in the previous 12 months on the preparation of research reports for a fee. Under this agreement, the draft financial analysis (excluding the valuation section) was made available to the issuer prior to publication.
- (5) b) After receiving valid amendments by the analyzed company or issuer, the draft of this analysis was changed.
- (6) a) GBC AG or a legal entity affiliated with it has concluded an agreement with a third party in the previous 12 months on the preparation of research reports on this company or financial instrument for a fee. Under this agreement, the third party and/or company and/or issuer of the financial instrument has been given access to the draft analysis (excluding the valuation section) prior to publication.
- (6) b) After receiving valid amendments by the third party or issuer, the draft of this analysis was changed.
- (7) The analyst responsible for this report holds shares or other financial instruments of this company at the time of publication.
- (8) The analyst responsible for this company is a member of the company's Executive Board or Supervisory Board.
- (9) The analyst responsible for this report received or purchased shares in the company analyzed by said analyst, prior to the time of publication.
- (10) GBC or a related legal party has closed an agreement with the underlying company regarding consulting services during the previous 12 months.
- (11) GBC or a related legal party has a significant financial interest in the analyzed company, for example to get mandated by the analyzed company or to provide any kind of services (such as the organization of fairs, roundtables, road shows, etc.).
- (12) At the time of the financial analysis, the analyzed company is in a financial instrument or financial product (e.g. certificate, fund, etc.) managed or advised by GBC AG or its affiliated legal entity.

### **Section 2 (V) 3. Compliance**

GBC has defined internal regulatory measures in order to prevent potential conflicts of interest arising or, where they do exist, to declare them publicly. Responsibility for the enforcement of these regulations rests with the current Compliance Officer, Kristina Heinzlbecker, Email: [heinzlbecker@gbc-ag.de](mailto:heinzlbecker@gbc-ag.de)

### **Section 2 (VI) Responsibility for report**

The company responsible for the creation of this/these analysis/analyses is GBC AG, with registered office in Augsburg, which is registered as a research institute with the responsible supervisory authority (Federal Financial Supervisory Authority or BaFin Marie-Curie-Str. 24- 28, 60439 Frankfurt, Germany).

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

The analysts responsible for this analysis are:

**Julien Desrosiers, Financial Analyst**

**Felix Haugg, Analyst**

### **Section 3 Copyright**

This document is protected by copyright. It is made available to you solely for your information and may not be reproduced or distributed to any other person. Any use of this document outside the limits of copyright law shall, in principle, require the consent of GBC or of the relevant company, should the rights of usage and publication have been transferred.

GBC AG  
Halderstraße 27  
D 86150 Augsburg  
Tel.: 0821/24 11 33-0  
Fax,: 0821/24 11 33-30  
Internet: <http://www.gbc-ag.de>  
E-Mail: [compliance@gbc-ag.de](mailto:compliance@gbc-ag.de)

E-Mail: [compliance@gbc-ag.de](mailto:compliance@gbc-ag.de)