

coinIX GmbH & Co KGaA

Germany | Technology | MCap EUR 14.4m

9 February 2022

UPDATE



Investment in IoT security specialist asvin PT up: BUY

What's it all about?

coinIX yesterday reported an investment in asvin, a company focused on safeguarding IoT devices from malicious attacks, device spoofing, and data breaches. Based on distributed ledger technology (i.e. blockchain) and peer-to-peer network storage, asvin provides a software as a service model for IoT vendors and manufacturers to facilitate the delivery of security patches and updates for IoT devices. asvin has an experienced management team and is supported by high profile experts from the automotive industry. The investment nicely complements coinIX's existing portfolio in traditional industries and underlines the availability of attractive targets for coinIX. As the crypto market is recovering from the recent slump, we update our valuation and come to an upgraded PT of EUR 5.71 (old: 5.61). We reiterate to BUY.

For a recording of yesterday's presentation of coinIX on the AlsterResearch FinTech conference, click [here](#). Due to a lack of time, we had to cut the Q&A session short, so we are offering a separate online Q&A session on 17 February at 14:00, please [register](#).

BUY (BUY)

Target price	EUR 5.71 (5.61)
Current price	EUR 5.00
Up/downside	14.2%



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Investment in IoT security specialist asvin, PT up: BUY

Investment in asvin. coinIX yesterday reported an investment of EUR 200k (eAR) in asvin, a company focused on safeguarding IoT devices from malicious attacks, device spoofing, and data breaches. IoT are often low hanging fruit for hackers, for example if they are deployed on a 'set and forget' principle with default passwords. Based on distributed ledger technology (i.e. blockchain) and peer-to-peer network storage, asvin provides a software as a service model for IoT vendors and manufacturers to facilitate the delivery of security patches and updates for IoT devices.

Complementing coinIX's blockchain portfolio in traditional industries. asvin is based in Stuttgart, a center of the German automotive industry. The team is composed of cyber security and blockchain experts who have years of experience as providers of software products for industrial customers. They are supported by high profile experts from the automotive industry, for example the former CEOs of Continental AG and Daimler Financial Services AG and the manager in charge of autonomous driving at VW commercial vehicles. The investment complements coinIX's existing portfolio in traditional industries, for example the mobility protocol bloXmove. asvin is launching pilot projects with well-known customers from the automotive industry, the energy sector and mechanical and plant engineering.

Presentation at AlsterResearch FinTech conference. coinIX CEO Susanne Fromm and CFO Felix Kregel yesterday presented at the AlsterResearch FinTech conference. In case you missed it and want to take a deep dive into the equity story, a recording is available [here](#). Due to a lack of time, we had to cut the Q&A session short, so we are offering a separate online Q&A session on 17 February at 14:00, please [register](#).

Upgrade of target price to EUR 5.71: As the crypto market is recovering from the recent slump, we update our valuation and come to a new PT of EUR 5.71 (old: EUR 5.61). Additional upside results from further increases in value of the current portfolio and from future transactions. We reiterate to BUY. With up to 10 equity and token projects in the pipeline, newsflow looks set to support a rerating.



Source: Company data, AlsterResearch

High/low 52 weeks 8.48 / 2.21
Price/Book Ratio 9.8x

Ticker / Symbols

ISIN DE000A2LQ1G5
WKN A2LQ1G
Bloomberg XCX:GR

Changes in estimates

		Sales	EBIT	EPS
2021	old	00.0	00.0	00.0
	Δ	-	-	-
2022	old	00.0	00.0	00.0
	Δ	-	-	-
2023	old	00.0	00.0	00.0
	Δ	-	-	-

Key share data

Number of shares: (in m pcs) 2.87
Ø trading volume: (52w, in pcs) 1,200

Major shareholders

Free Float 100.0%

Company description

coinIX is a venture capital investment firm that invests in blockchain technology companies, tokens and cryptocurrencies.

coinIX GmbH & Co KGaA	2018	2019	2020	2021P	2022E	2023E
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Growth yoy	na	na	na	0.0%	0.0%	0.0%
EBITDA	-0.1	-0.2	-0.0	0.9	-0.4	-0.4
EBIT	-0.1	-0.2	-0.1	0.9	-0.4	-0.4
Net profit	-0.1	-0.2	-0.7	1.7	-0.4	-0.4
Net debt (net cash)*	-0.1	-0.2	-0.1	-2.3	-1.9	-1.5
Net debt/EBITDA	0.9x	1.2x	2.8x	-2.5x	4.7x	3.7x
EPS reported	-0.10	-0.22	-0.29	0.59	-0.14	-0.14
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	na	na	100.0%	100.0%	100.0%	100.0%
ROCE	-11.9%	-26.7%	-5.7%	13.5%	-6.3%	-6.8%
EV/EBITDA	-159.8x	-81.5x	-377.2x	13.4x	-31.3x	-32.3x
EV/EBIT	-133.2x	-60.4x	-209.1x	13.4x	-31.3x	-32.3x
PER	-49.1x	-22.5x	-17.0x	8.4x	-36.0x	-36.0x
FCF yield	-0.3%	-1.1%	-0.3%	12.9%	-2.8%	-2.8%

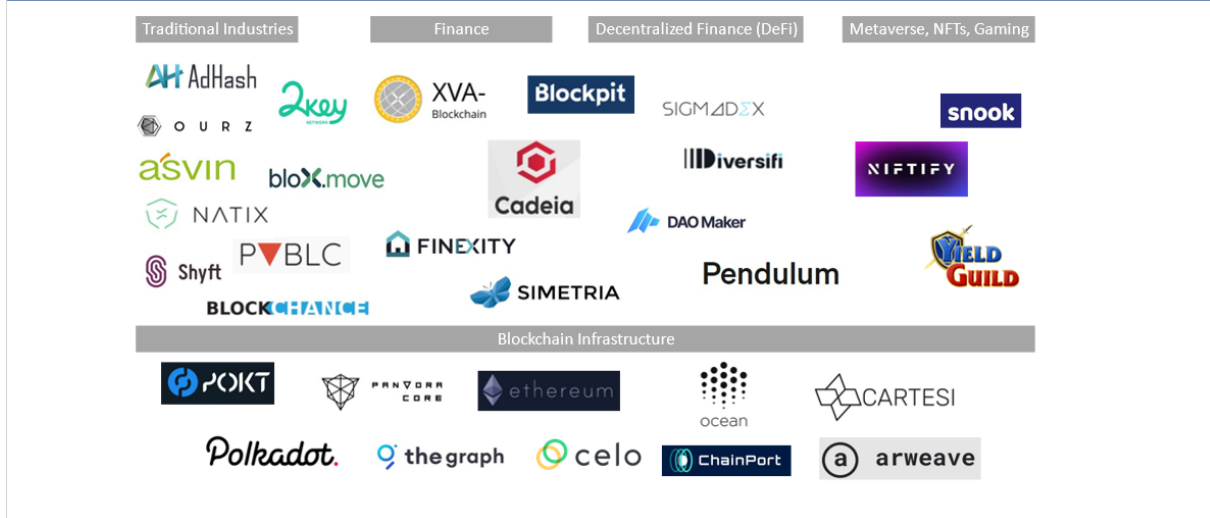
* coinIX is financed exclusively by equity. Source: Company data, AlsterResearch

Note 1: German GAAP reporting is not very meaningful for an investment company.

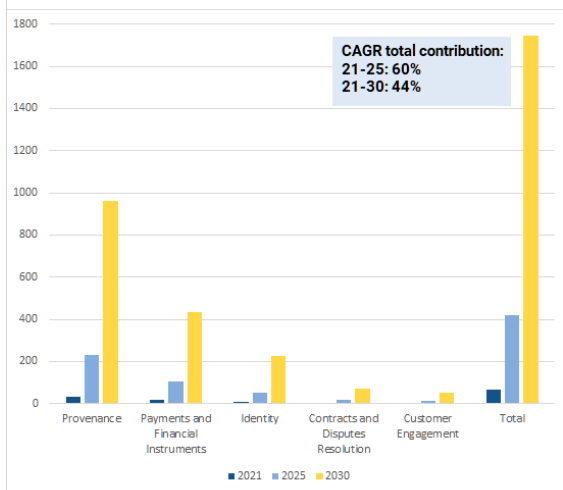
Note 2: Estimates do not include any proceeds from divestments.

Investment case in five charts

Portfolio

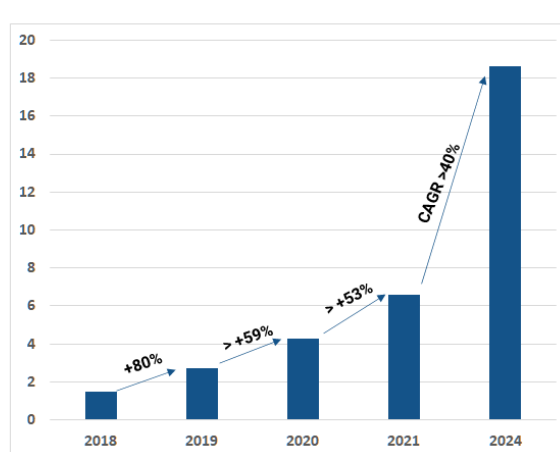


Blockchain's Economic Contributions (worldwide, USD bn)



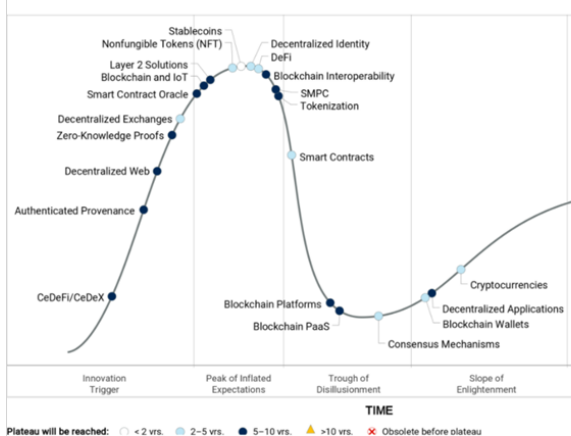
Source: PwC, Time for Trust, October 2020

Global Spending on Blockchain Solutions (USD bn)



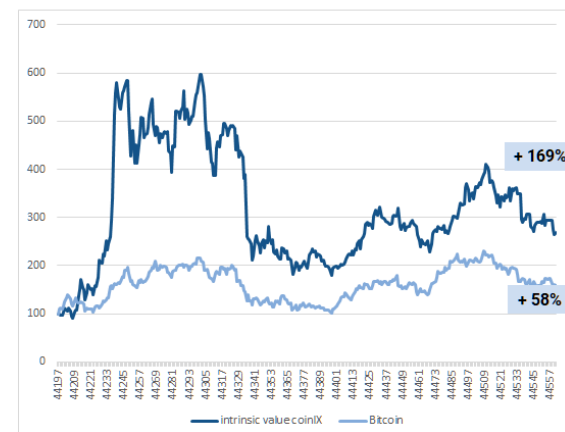
Source: IDC

Gartner Blockchain Hype Cycle



Source: Gartner (Juli 2021)

Intrinsic value coinIX vs Bitcoin (2021)



Source: coinIX, AlsterResearch

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Company background

Company history and purpose

coinIX was founded in 2017 and has been listed on the open market of the Düsseldorf Stock Exchange since the end of 2019. coinIX is a venture capital investment company with a focus on blockchain technology. coinIX invests in

- **Companies in the blockchain ecosystem**, e.g. via direct equity investments, convertible bonds or SAFEs (Simple Agreement for Future Equity). Focus is on startups in the DACH region and Israel (seed or Series A for follow-on investments). Currently coinIX holds 12 company investments, 9 directly and 3 in the form of an option for future acquisition.
- **Tokens** or rights for the future acquisition of tokens (SAFT, Simple Agreement for Future Tokens). coinIX currently holds 12 tokens, including DAOMaker, Pocket Network and The Graph.
- **Liquid Coins (cryptocurrencies)** traded on crypto exchanges. coinIX holds more than 20 liquid coins, including Cartesi, Polkadot, OCEAN, CELO, Bitcoin, and Ethereum.

The distinction between cryptocurrencies / liquid coins and tokens is not always clear, see also the section "Introduction to Blockchain and Tokens". In order to standardize terminology, we use the coinIX classification: "Liquid coins" are understood to be those digital assets that were traded or listed on a crypto exchange at the time of acquisition, while "token projects" are understood to be those that were NOT traded or listed on a crypto exchange at the time of acquisition.

Business Model

coinIX operates like a publicly traded venture capital fund: the company raises capital from shareholders and then invests these funds in private blockchain companies, tokens and cryptocurrencies. In detail, coinIX's business model is characterized by the following features:

1) coinIX only invests in **companies that use blockchain technology**. In doing so, coinIX typically acquires smaller (**up to 5%**) equity stakes, convertible bonds or SAFEs of these companies, with **ticket sizes ranging from EUR 50k to 250k**.

2) Within the blockchain space, coinIX has identified **5 segments** that are considered to be particularly promising. These areas are also represented in the portfolio. Specifically, these are:

- Blockchain applications for **process optimization in traditional sectors** as enablers for trust-based processes (e.g. Cadeia, OURZ, XVA, Natix), coinIX assumes that these projects will have a significant impact relatively soon.
- **Disruptive applications** where existing value chains are broken and intermediaries are eliminated (e.g. 2key, Publc, AdHash). The potential here is seen in the medium term.
- **Decentralized Finance (DeFi)**: replacing traditional financial processes with purely digital transactions mapped on the blockchain (e.g. Diversifi, DAO Maker).
- **NFT, Metaverse**: Applying blockchain to enable usage and ownership rights to digital assets (e.g., Niftify, Snook).
- **Infrastructure**: further development of blockchain technology to increase usability (e.g., The Graph, ChainPort, Pocket Network).

3) For **corporate investments**, the **geographic focus is on DACH and Israel**. Since due diligence in other jurisdictions regularly involves significantly increased costs and time, the company is focused on the DACH region due to cost considerations.

4) In the case of corporate investments, coinIX invests primarily in the **early stages**, i.e. in seed and Stage A financing rounds. In this market segment, the value potential is highest, but so are the risks. Extensive due diligence and a careful assessment of the market potential and management competencies ensure a realistic assessment of the risks associated with an investment.

5) Investments in **tokens** are initially made based on an **analysis of the token's function**. Utility tokens ensure certain functionality, access or voting right, and in the long run the value of these tokens is determined by the value of the related functions. Furthermore, an analysis of **Tokenomics**, i.e. the development of supply and demand, is carried out. Factors such as the allocation of tokens at launch, the maximum token supply (if there is such a limit) and the associated fully diluted market capitalization play a role.

Before the launch, pre-created tokens, so-called pre-mined tokens, are often sold to selected addresses at very favorable conditions. These pre-sales are regularly made on the basis of a favorable valuation compared to the subsequent public-sale and are therefore particularly attractive. coinIX continuously analyzes the projects offered to it and has already successfully participated in them (e.g. with The Graph in a pre-sale SAFT).

6) In addition to the acquisition of tokens not traded on crypto exchanges described in 5), coinIX also invests in undervalued **listed tokens**, the **liquid coins**. The analysis process is similar to that for unlisted tokens. coinIX does not follow a trading-oriented investment approach. Investments generally follow a **medium- to long-term buy-and-hold strategy** based on fundamental analysis.

If promising investment opportunities arise for the coinIX in the form of equity or token project investments, coins can be sold at short notice to release liquidity. Thus, these not only contribute to the **diversification of the portfolio** but can also be used to structure the **composition of the investments**. Since coinIX is not committed to a fixed investment strategy, the company can flexibly align its coin portfolio with the overriding trends in this segment, taking liquidity aspects into account.

The long-term value add created by coinIX is based on the fact that the investment process selects companies, tokens and liquid coins that increase in value and can be sold at a capital gain. A realization of the investment return can occur in the very short term (same day) for liquid coins, in the medium term (a few months to 2 years) for unlisted Tokens, and in the long term for equity investments. A typical venture capital investment in a start-up company has a horizon of 5 to 10 years.




Management

	
Susanne Fromm	Felix Krekel
CEO since 07/2021	CFO since 04/2018

Source: Company data; AlsterResearch

Susanne Fromm (CEO). After graduating with a degree in languages, economics and cultural studies from the University of Passau, Susanne Fromm worked for six years as a management consultant at Roland Berger. During this time, she also completed an MBA at INSEAD Business School and joined Allianz in 2013. There, she was responsible for the design and global roll-out of digitization strategies, made corporate venture capital investments and formed partnerships with technology groups, among other things. Fromm is also co-founder of a consultancy that provides knowledge on digital assets. She graduated from various Distributed Ledger Technology (DLT) programs, including the Frankfurt School of Finance. As CEO, Ms. Fromm is responsible for crypto research, investment management and human resources & public relations.

Felix J. Krekel (CFO). After completing his studies in business administration and working for an investment bank in London for one year, Felix J. Krekel, a trained banker, began his career at HSBC Trinkaus & Burkhardt. There he held various management positions. Five years after joining the board of a listed project developer, he joined the management board of a property developer, which he later chaired. Felix J. Krekel is a Certified International Investment Analyst. As CFO, Mr. Krekel is responsible for the Finance and Investor Relations departments.

		
Moritz Schildt	Dr. Bianca Ahrens	Peter Paulick
Chairman of the Supervisory Board	Supervisory Board member	Supervisory Board member

Source: Company data; AlsterResearch

Supervisory Board

Moritz Schildt: After completing a banking apprenticeship, Moritz Schildt studied law at the University of Hamburg and completed his legal clerkship with the major state law examination. He also graduated from INSEAD with a degree in business administration and an MBA. After working as a management consultant for the Boston Consulting Group, he was a director and general counsel for a leading European provider of financial services products, where he was responsible for the IPO. From 2002 to 2007, he was Chief Product and Financial Officer of one of the largest investment fund distribution companies in Germany. Following his work as CEO of the financial services group Hesse Newman Capital AG, Moritz Schildt founded nordIX AG in 2009 together with Claus Tumbrägel, a regulated financial services institution that manages mutual and special funds, among other things.

Moritz Schildt is a shareholder and has been a member of the board of nordIX AG since its foundation.

Dr. Bianca Ahrens is a trained banker and studied business administration at the University of Cologne, graduating with a doctorate (Dr. rer. pol.). She initially worked in risk and quality management at Talanx Asset Management GmbH and moved to Aquila Capital Investmentgesellschaft mbH in 2014, where she was most recently Head Fund Management / Real Assets. From 2018, Dr. Ahrens worked as a department head at HANSAINVEST in the area of Datamangement & Reporting. Since January 2020, she has been Managing Director and COO of quirion Sachwerte GmbH, a company that enables real asset investments in the form of digital transactions on the blockchain. Dr. Ahrens continues to serve as Managing Director of Bloxxter Invest GmbH and Bloxxter 1 GmbH in Hamburg.

Peter Paulick studied law at the University of Hamburg and passed the major state law examination before the Hanseatic Higher Regional Court in Hamburg in 1995. He has been a lawyer and partner at PAULICK Rechtsanwälte since 1995. He is a specialist lawyer for inheritance law and a specialist lawyer for commercial and corporate law. Mr. Paulick is deputy chairman of the supervisory board of Gerlach Wohnungsbau AG, Hamburg and chairman of the supervisory board of nordIX AG, Hamburg.

Other key personnel:

- **Omri Erez (CIO)**, During and following his studies in computer science at the University of Applied Sciences (HAW) in Hamburg, Omri Erez worked as a software developer in the Android field. He has been involved in the cryptocurrency market for many years. He is a co-founder of coinIX and has since been an investment director responsible for generating, evaluating and closing investment opportunities as well as maintaining portfolio companies and projects at the company.
- **Ladislaus v. Daniels (Analyst)**. After graduating in Business Administration (M.Sc.), Ladislaus v. Daniels gained several years of experience in corporate finance functions of global industrial groups. As an enthusiastic user of open-source software, he has been increasingly involved with blockchain technology in parallel since 2018. His focus is on protocol and application developments of public blockchains, especially Ethereum.
- **Joshua Reimann (Analyst)**. Since 2017, Joshua Reimann has been focusing on blockchain technology and, as a studied business psychologist, is particularly interested in the areas of DeFi and DAOs. In his final thesis on the evolution of money, he discussed Bitcoin as Gold 2.0. Since then, he has been a consultant in several Blockchain projects and manages the crypto portfolio for Ozean Capital, a DeFi project.

Background on legal form and remuneration

The GmbH & Co KGaA is a hybrid between a partnership and a stock corporation. The GmbH, a limited liability company, is the general partner in the partnership. In the case of coinIX, the general partner is coinIX Capital GmbH. coinIX Capital GmbH represents the company externally through its managing directors. The shareholders of coinIX GmbH & Co KGaA are the "limited partners", here called limited shareholders.

The limited shareholders have somewhat less influence compared to the voting shareholders of a simple German stock corporation (AG). In particular, this applies to the influence on the composition of the management: In the case of a simple AG, the supervisory board appoints and removes the management board, and the supervisory board in turn is elected by shareholders in the general meeting. In contrast, in a GmbH & Co KGaA, the management of the company is carried out by the managing directors of the general partner. These are appointed and dismissed by the shareholders' meeting of the general partner, in this case coinIX Capital GmbH. The limited shareholders therefore have less influence on the fund managers, quite similar to the fund unit owners of an investment fund.

Nevertheless, the limited shareholders can exert influence through the election of the supervisory board, which monitors the management. The choice of legal form corresponds to the usual structure in private equity, where the limited partners entrust their money to a general partner. Applying this to coinIX:

- General partner is coinIX Capital GmbH. The general partner manages the business, in particular the acquisition and sale of company shares, tokens or cryptocurrencies.
- Limited partners are the limited shareholders of coinIX GmbH & Co KGaA: they decide on the appropriation of the company's profits, e.g. the distribution of a dividend, at the general meeting. The company bears the costs of the day-to-day business operations, e.g. for accounting, the costs of the stock exchange listing and the raising of capital.

For the management activities and the assumption of liability, the general partner receives a remuneration that corresponds to the private equity formula "2 and 20": a 2% p.a. fee on the value of the fixed and current assets of the company plus a 20% fee on the increase in value of fixed and current assets, adjusted for capital measures and distributions and only after exceeding the high watermark. In addition, there is a 19% sales tax on the fees. While these fees may seem high compared to portfolio management of equities, they are rather at the lower end of the range in the more elaborate venture capital sector: here, ongoing management fees of up to 2.5% p.a. and profit sharing ("carry") of up to 30% are not unusual.

Shareholders

As the shares of coinIX are not listed in the regulated market but rather are traded in the over-the-counter market of the Düsseldorf Stock Exchange, there are no notification obligations pursuant to Section 33 of the German Securities Trading Act (WpHG), but only pursuant to Sections 20, 21 of the German Stock Corporation Act (AktG). Thus, a notification obligation only arises when a shareholding of at least 25% is reached. Such a notification has not been made, so that it can be assumed that no shareholder holds more than 25% of the shares. The general partner coinIX Capital GmbH has reported a holding of 61,500 shares (approx. 2% of the limited partner shares). Managing directors and members of the supervisory board of the general partner also hold shares, which, in addition to the performance fee, leads to a further alignment of the interests of the members of the executive bodies of the general partner and the limited liability shareholders.

Quality

The success of an investor in the blockchain ecosystem is based in particular on the following core competencies:

- An **in-depth know-how** of the technical details and mechanics of different Blockchains and the markets that can be developed or created with it,
- **Experience in evaluating business models and structuring transactions** in this domain, as well as
- **Access** to attractive blockchain projects and startups.

The basis for coinIX's success is the **team**, exhibiting **complementary skills, experience and networks**: the technical expertise (analysts and CIO) is complemented by management and digitalization expertise (CEO) as well as capital markets and corporate finance experience (CFO and Supervisory Board). All members of the team bring strong networks to coinIX.

As an early mover, coinIX has already been able to gain extensive experience in the crypto market and build networks since 2017. As many early crypto investors are financially strong, attractive blockchain projects, whether in the form of corporate investments or tokens, can be choosy about their investors. **Access is facilitated for coinIX as the company can offer more than just money, e.g. strategic advice, expertise from other portfolio companies and investments, external networks, regulatory know-how and expertise from the traditional finance industry.**

The geographical focus on the DACH region and Israel also means that contacts from universities (e.g. INSEAD, Frankfurt School of Finance) and institutes (e.g. Hanseatic Blockchain Institute) can be used particularly intensively here. For investments in a very early phase, i.e. seed rounds for companies and pre-sales for tokens, these contacts are often the only, but therefore very lucrative, entry ticket.

Finally, the quality of an investment company is measured by its **track record**, i.e. past investment successes. Despite the relatively short company history of coinIX, there are already some remarkable successes:

- **The Graph**: the value of the investment has increased more than two hundredfold since the initial investment in July 2020, from EUR 46k to more than EUR 10m (more than +21,000%). Additional returns were achieved by delegating the tokens. This involves a temporary transfer of the tokens to an "indexer", who uses the tokens as collateral to provide services such as indexing blockchains and processing queries and receives credits in the form of tokens in return. Over the course of just over a year, coinIX was thus able to generate revenue of almost 1 million GRT. These were sold at the end of 2021 for over EUR 800k, a multiple of the original investment.
- **Binance Coins**: In summer 2018, Binance Coins were acquired at EUR 11.50 and sold in April 2021 at almost EUR 500. The realized capital gain amounted to more than EUR 500k.
- **Elrond**: A position of 3,000 Elrond tokens built up in August 2020 for EUR 45k was sold in February 2021 for EUR 480k. Thus, the value has increased more than tenfold in about half a year.
- **Cartesi**: In May 2021, a partial sale of a position in Cartesi tokens was made after a performance of 1,500% since July 2020. In the process, the company received more than EUR 200k.

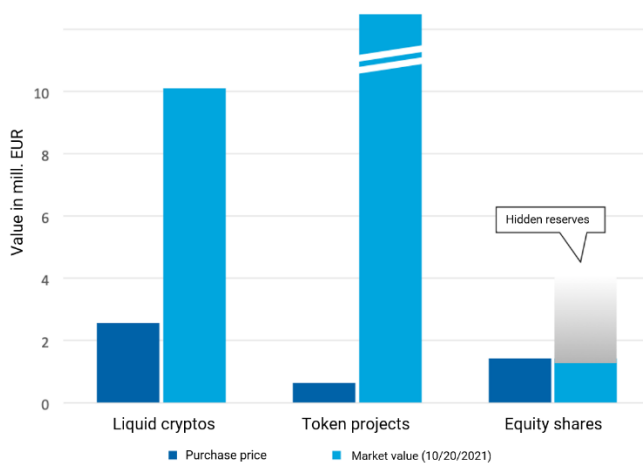
In total, coinIX has created a portfolio value of EUR 22.3 million (31.12.2021) from raised capital of EUR 6.2 million. The investment performance can be approximately estimated by the **development of the intrinsic value** of coinIX's portfolio. coinIX determines the intrinsic value by valuing the listed assets at their respective market price, and all other assets at acquisition cost (reduced by depreciation, if applicable). The asset value determined in this way is divided by the number of limited partnership shares issued. The following chart shows the development of the intrinsic value over the course of 2021, which has increased by 169% and thus developed significantly better than, for example, the cryptocurrency Bitcoin (+58%):

Intrinsic value coinIX vs Bitcoin (2021)



Source: coinIX, AlsterResearch

The increase in intrinsic value is due to a positive performance of all asset classes. Worth highlighting is the development of token projects, which contributed the most value in absolute terms, while at the same time having the lowest acquisition costs:



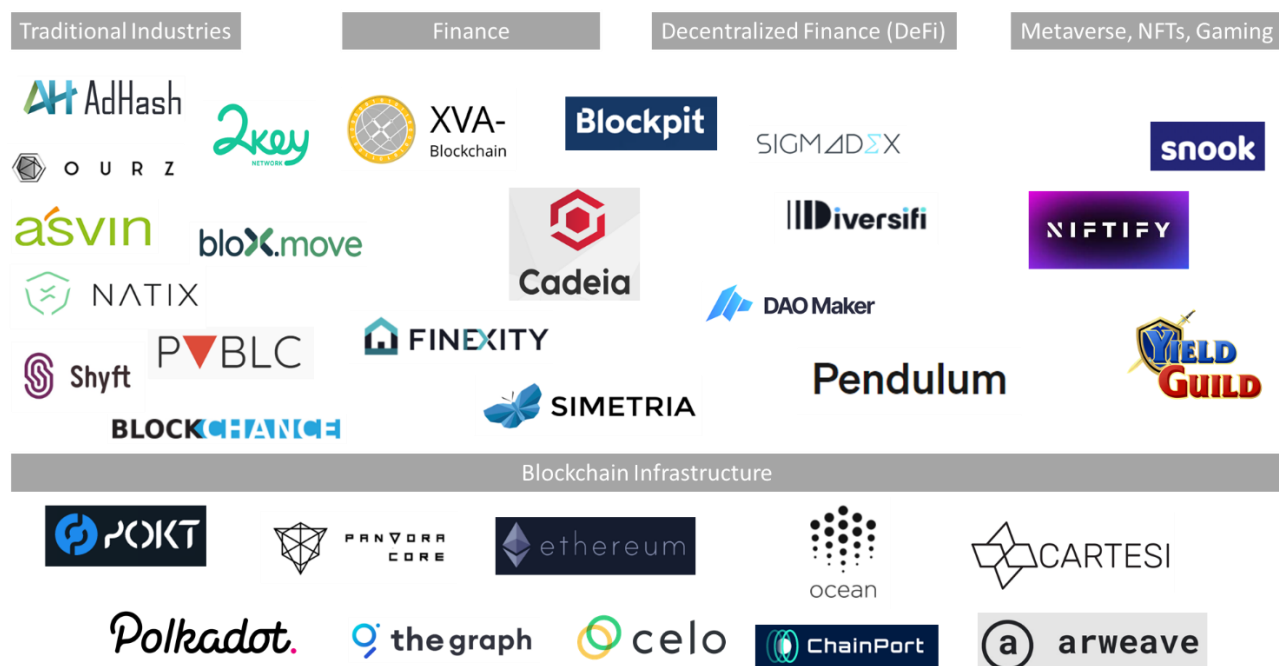
Source: coinIX

The quality of coinIX's business model is also positively assessed by external parties. For example, the DeFi information platform DecentralizedFinance.com lists coinIX among the "Best 130 Crypto Venture Capital Companies" in the world. This group includes only 27 other European venture financiers (<https://decentralizedfinance.com/best-130-crypto-venture-capital-companies/>).

In addition to the quality of the individual investments, the quality of the overall portfolio is also determined by the number and correlation of the investments. As with all VC investments, there is a high probability that some portfolio companies will fail, or tokens will become worthless. One measure to reduce these risks for the overall portfolio is to diversify wisely, both in terms of number of investments and in terms of business models and vertical markets. Considering

- 12 equity investments across a range of industries, including decentralized finance (DeFi), online advertising, smart contracts, and education,
- 12 token projects across DeFi, search engines, identity, transportation, NFTs and gaming,
- and more than 20 liquid coins from a wide range of token types and sizes

coinIX has built a broadly diversified portfolio in a short period of time. The following chart shows the allocation of investments to industries:



Source: coinIX, AlsterResearch

However, the company has to a certain extent become a victim of its own success. The extreme performance of The Graph token (an investment of originally EUR 46k had meanwhile turned into more than EUR 10m) had temporarily increased the weight of this investment in the total portfolio to more than 75%. As a result of the increased investment activity and the price decline of the GRT token, its portfolio share could be reduced to currently approx. 35%. With the lockup gradually expiring in 12 equal monthly installments from the end of January, coinIX will be able to further reduce the portfolio share via sales.

The following overview shows the **unique selling points of coinIX** compared to other companies from the blockchain/crypto ecosystem listed in Germany.

Hardly comparable to coinIX are the Bitcoin Group and the Naga Group, which are not classic investment companies: based on their original business as crypto exchanges, they have expanded their business in the direction of a neobroker (Naga) and a crypto bank (Bitcoin Group).

In contrast, tokenus investment, Advanced Blockchain and Cryptology Asset Group can be classified more as typical investment companies, albeit with a partially different focus than coinIX. For example, tokenus and Cryptology in particular are more focused on corporate investments, and less on tokens and cryptocurrencies. In addition to investment management, Advanced Blockchain is also increasingly engaged in other activities such as consulting, yield farming and incubation.

Name	Ticker	Description	Investment Portfolio	Focus Equity / Token	Typical Investments		
					Status	Phase	Ticket size
CoinIX	XCX:GR	Blockchain all-around investor with holdings in cryptocurrencies, tokens and equity	12 corporate investments 12 long-term token projects 20 cryptocurrencies	DACH / worldwide	Co(-Lead)	Equity: Pre seed - Stage A Token: Pre-sale - Listed	EUR 50k - 250k
tokenus investment	14D:GR	Pure Play Blockchain Equity-Investor	9 corporate investments 1 token project	worldwide	Co	Equity: Pre seed - Growth Token: Private sale	EUR 100k - 1m
Advanced Blockchain	BWQ:GR	Blockchain company with activities in consulting, incubation, investment, yield farming and crypto lending	15 corporate investments and token projects	worldwide	Lead and Co	Equity: Incubator - Seed Token: Private Sale	EUR 50k - 1m
Cryptology Asset Group	CAP:GR	Larger ticket blockchain investor with concentrated equity portfolio	7 corporate investments	worldwide	Lead and Co	Equity: Seed - Listed	EUR 1m - 50m
Bitcoin Group	ADE:GR	Crypto bank and exchange with prop crypto trading	2 corporate investments: - 100% futurum / bitcoin.de - 50% Sineus	na	na	na	na
Naga Gorup	N4G:GR	Formerly crypto exchange, now full service neobroker	Naga is not an investment manager	na	na	na	na

Source: Company data, AlsterResearch

Thus, the **following USPs** of coinIX can be derived:

- High **flexibility in asset allocation** across all blockchain asset classes (equity, tokens, cryptocurrencies) and phases.
- **Diversification** effects via the high number of investments
- **Participation in the price development of liquid cryptocurrencies**
- **strong network**, especially in the DACH region for equity and worldwide for tokens

SWOT

Strengths

- Early mover with very good track record, especially in tokens
- Exclusive focus on blockchain; deep and complementary know-how in the team (including inhouse regulatory expertise)
- Network enables access to attractive pre-sales and seed rounds
- Flexibility in asset allocation and high diversification in cryptocurrencies, tokens and blockchain venture capital

Weaknesses

- Unusual legal form (GmbH & Co KGaA)
- Listing on the open market (Düsseldorf, Munich, Berlin) with low transparency and reporting requirements

Opportunities

- Enormous growth of the blockchain market and related investment opportunities
- Very high return potential with simultaneously high liquidity of cryptocurrencies and some tokens

Risks

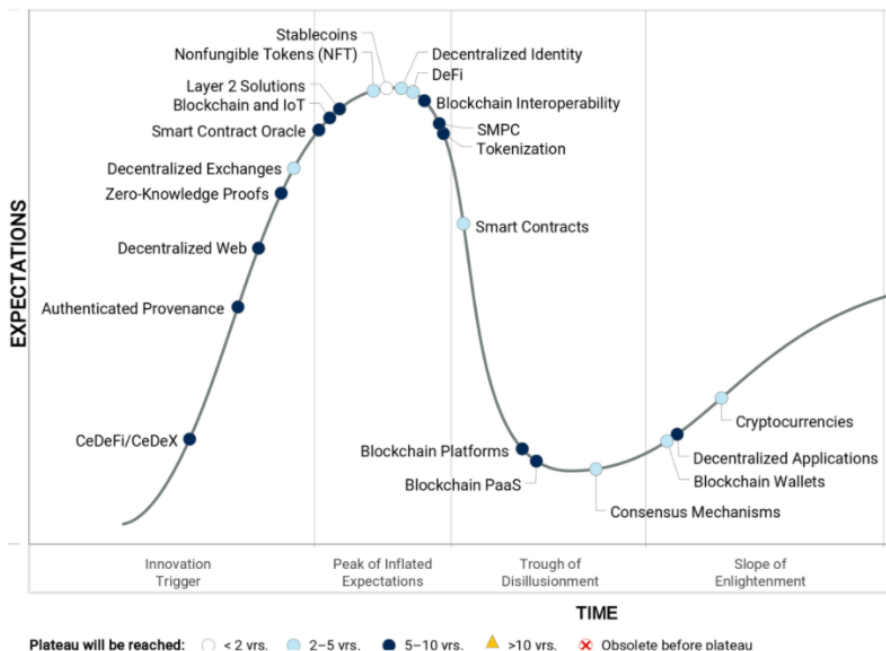
- Cluster risk (approx. 35% of NAV in a token) with simultaneous lock-up (gradually phasing out until December 2022)
- Volatility of cryptocurrencies and token prices
- Stricter regulation of cryptocurrencies and accompanying higher regulatory requirements for coinIX

Growth

The challenge in estimating the growth of blockchain technology lies in the abundance of potential use cases. McKinsey identifies more than 90 use cases across 14 industries ("Blockchain beyond the hype: What is the strategic business value?", August 2020). Large-scale deployability of these use cases is expected in 2023 to 2025.

Market research firm Gartner recently updated its assessment of the status of various blockchain technologies. In addition to some use cases characterized by inflated expectations, e.g., NFTs, expectations for many use cases are normalizing (e.g., tokenization, smart contracts) or approaching a realistic assessment of true growth potential (e.g., consensus mechanisms, blockchain wallets, cryptocurrencies). Finally, many applications and technologies are still at a very early stage ("innovation triggers") and are thus promising sources of future growth.

The Blockchain Hype Cycle



Source: Gartner (July 2021)

According to Gartner, **growth drivers include**

- the **wider adoption of bitcoin**, for example, as legal tender in El Salvador,
- the adoption of **distributed ledger technologies (DLTs)** for monetary transactions and the use of **central bank digital currencies (CBDCs)**,
- DeFi applications** that offer large financial incentives (e.g., high interest rates on cryptocurrencies),
- tokenization of assets**, particularly NFTs and DeFi tokens, as well as tokens that will be linked to physical assets in the future,
- low-cost alternatives to Ethereum** transactions, e.g., on Binance, Cardano, or Solana,
- shifting from proof-of-work to **more energy-efficient consensus mechanisms**.

Major challenges include global regulatory risks and China's ongoing crackdown on crypto activity.

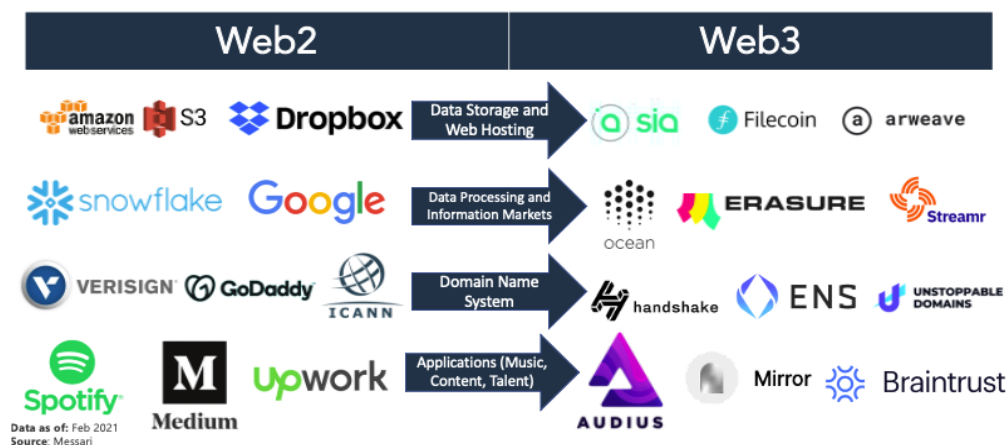
Some of the above applications are grouped under the term **Web3**. Web3 has received increasing attention recently because it has the potential to break through the **market power of technology giants** such as Alphabet (Google) or Meta (Facebook). Unlike many of today's applications on the Internet, which are characterized by centralized data and centralized administration, Web3 is characterized by **decentralization based on blockchain and disintermediation**.

Often, the use of Web3 applications is incentivized by the issuance of tokens. The hope of a future increase in the value of these tokens makes users overlook other disadvantages as early adopters.

Thus, **in markets with network effects**, e.g., social networks, the **bootstrapping problem can be solved**: in principle, market entry in these markets is particularly difficult because the benefit for the individual increases with the number of additional users, thus it is small for early adopters. However, this disadvantage is compensated by the tokens, which have a particularly high potential to increase value for the early adopters.

The potential of Web3 as an alternative to big tech is therefore very high, although there are still some challenges with regard to regulation, scalability, environment and data protection.

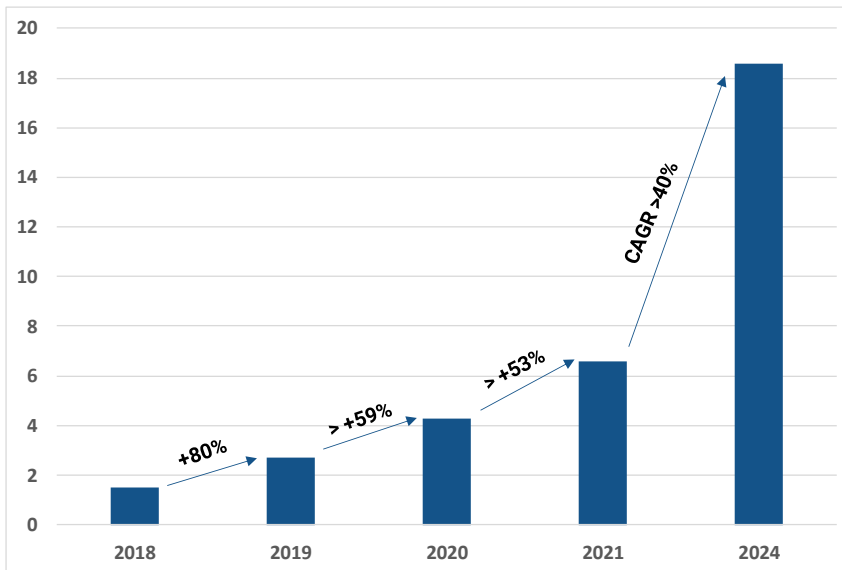
Web2 Companies vs Web3 Protocols



Source: Messari (February 2021)

As a result of the above developments, **investments in blockchain technology are continuously increasing**. In 2018, these stood at USD 1.5 billion (source: IDC). Since then, growth rates have skyrocketed, topping 80% in 2019 and 50% in 2020, with a similar trend expected in 2021. It is estimated that global spending will reach more than USD 18 billion in 2024, a 12-fold increase over 2018, and **average growth rates of more than 40% in the coming years**:

Global Spending on Blockchain Solutions (USD bn)



Source: IDC, April 2021

Looking at the **breakdown by industry**, IDC expects **nearly 30%** of blockchain technology investments in 2021 to be in the **financial sector**, where blockchain will be used for cross-border payments and settlements, as well as trade finance.

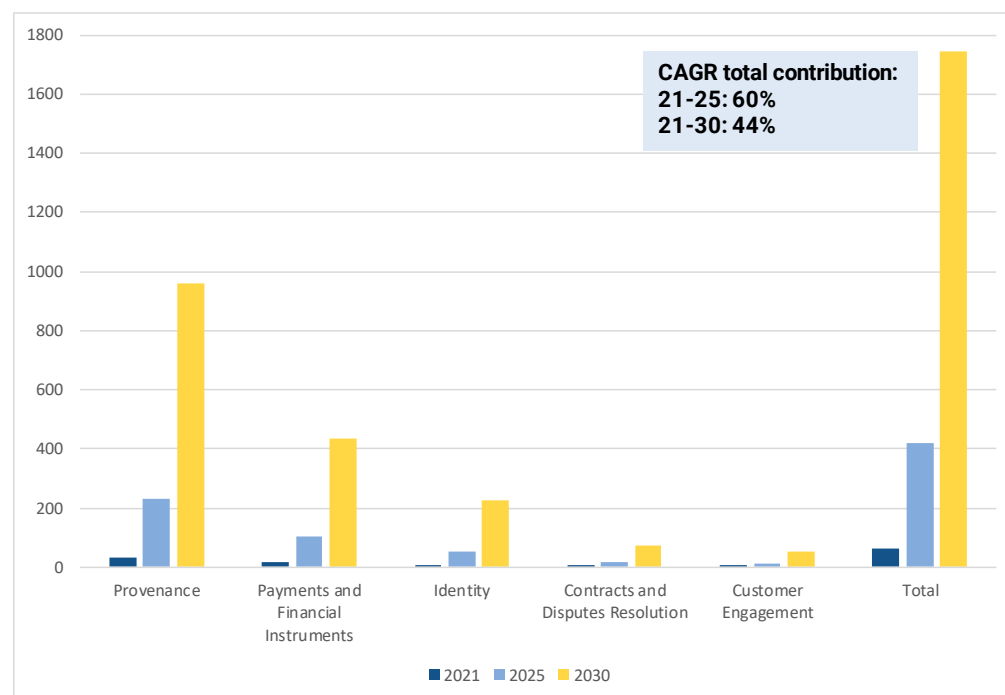
McKinsey noted in November 2021 that traditional players in the financial sector, including institutional investors and funds, are gradually increasing the share of digital assets in their portfolios. The total value of **DeFi increased nearly 50-fold in the first 10 months of 2021**. The fact that digital asset exchanges will generate about \$15 billion in revenue in 2021 is another indication of the rising technological value of blockchain in the financial industry (McKinsey, "Seven technologies shaping the future of fintech," November 2021).

The second most important industry after finance is **manufacturing**, which accounts for **20% of investments**. The main use case is to document a product's journey in a secure, trustworthy and accessible way ("provenance").

Other industries investing heavily in blockchain technologies are services, retail, and insurance.

Finally, it is worth noting that the adoption of blockchain technologies has a **disproportionate impact on economic growth**. A 2020 study by PwC estimates that the adoption of blockchain technologies will contribute \$65 billion to global GDP in 2021, \$421 billion in 2025, and \$1,746 billion in 2030. The development and breakdown among the different use cases are shown in the following chart:

Blockchain's Economic Contributions (worldwide, USD bn)



Source: PwC, Time for Trust, Oktober 2020

Overall, this development results in a **CAGR 20-25E of 60%** for the economic impact of blockchain technologies. So there seems to be a broad consensus that blockchain applications will grow at high double-digit rates in the coming years. This should open the door for many startups and tokens, and thus **many potential investment targets** for coinIX. It is also **fertile ground for adding value to the existing portfolio**.

According to the April 2021 Blockchain Venture Capital Report, less than 1% of all VC investments are currently flowing into blockchain-related companies. The growth potential is significant from this perspective as well.

Valuation

Sum-of-the-parts model (NAV)

The DCF and FCF return valuation methods commonly used at AlsterResearch are not applicable to an investment company like coinIX. Instead, we use the most appropriate approach in this case, i.e. we create a **sum-of-the-parts valuation** by adding the value of the portfolio components, subtracting the net debt or adding the net liquidity and arrive at an estimated net asset value (NAV).

Since coinIX prepares its financial statements in accordance with **German GAAP** (HGB), the lower of cost or market principle applies to the recognition of assets:

For **current assets**, i.e., among others, short-term financial assets, the **strict lower-of-cost-or-market principle** applies: valuation is at acquisition cost or at fair value (in this case, generally the market value) if lower.

For **non-current assets**, the **moderate lower-of-cost-or-market** principle applies: an impairment loss must be recognized if it is permanent; if an impairment loss is expected to be only temporary, there is an option to write it off.

Irrespective of whether an asset is classified as a non-current or current asset, its carrying amount in the balance sheet can never exceed its acquisition or production cost. **Consequently, the value of financial assets in the balance sheet is a poor indicator of the actual value of these assets if they increase in value.**

Assumptions regarding equity investments

coinIX does not consistently publish investment and shareholding amounts for equity investments. We therefore make the following assumptions for the **investment amount**:

- For **Natix**, **OURZ** and **Blockchance**, we assume the book value from the annual report
- For **AdHash**, no investment amount has been published, so we assume it is in the middle of the ticket size range of EUR 50k to 250k, i.e. EUR 150k
- For **Finexity**, **Pandora Core** and **Blockpit** the book values are known as of 12/31/20. Subsequently, there were further rounds of investments in these companies, totaling EUR 380k. We allocate this sum in proportion to the investments in the first round.
- For **Cadeia** and **XVA Blockchain**, a total of EUR 277k was invested, we allocate this evenly between the two.
- For **Diversifi** and **Simetria**, a total of EUR 335k was invested, again we allocate this evenly between the two.

For the **valuation** of the investments in companies, we initially assume the carrying amount. Due to the lower of cost or market principle, this represents a conservative approach. We only use valuations exceeding the carrying amount if later financing rounds at higher valuations suggest this:

- At **Blockpit**, a Series A financing round was conducted in July 2021, raising EUR 8.4 million. coinIX participated in previous Blockpit seed and angel rounds (source: crunchbase). Although the exact parameters of the three funding rounds (pre- and post-money valuations and shares) are not known, it can be assumed that the valuation in the last funding round represents a significant increase in value for coinIX's share.
- **Finexity** and **Pandora Core** also had additional rounds after coinIX's initial investment, presumably at higher valuations. We estimate a moderate increase in the value of the initial investment at both companies.

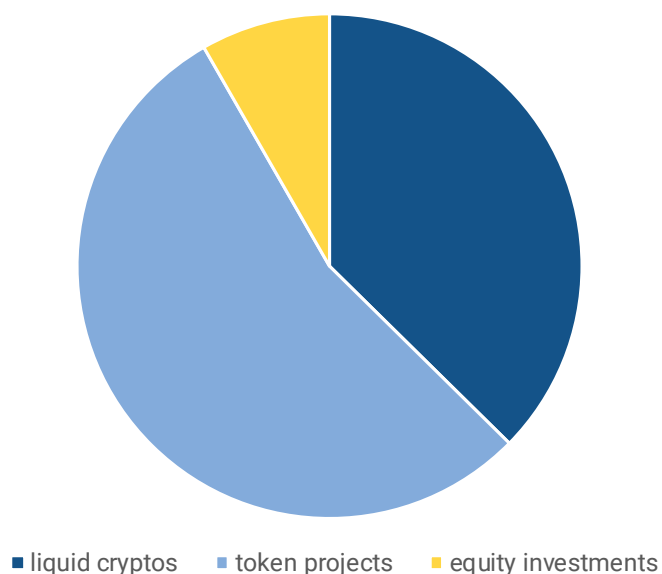
Assumptions regarding token projects

In the majority of cases, coinIX does not publish the number of tokens obtained directly or via SAFT. The exception is the by far the largest position "The Graph". Here, a holding of 16.7 million tokens was communicated, which will gradually be released out of the lockup from 2022 and could then be sold. For all other token projects, we estimate the number of tokens by dividing the usual investment amount (between EUR 20k and 200k) by the estimated subscription price. We take the latter from the data at cryptorank.io. If the tokens are listed, we value them with the current market price. If there are no market prices, we value the position with an average investment value of EUR 100k. Implicit assumption for the token projects is that none of the sourced tokens have been liquidated yet.

Further assumptions

We derive the value of liquid cryptocurrencies from the published intrinsic value of the portfolio and the above assumptions. We carry forward the cash position from the interim report. Furthermore, we assume that no further investments are made and that the existing holdings are liquidated after their typical holding period. We deduct the management fees accrued until then (2% p.a.) as well as the performance fees accrued until today. Overall, this results in the asset structure shown below and the valuation shown on the next page:

Asset Allocation



Source: AlsterResearch

Portfolio coinIX

		Investment			Current value
Company	Source	(EUR k)	Valuation base		(EUR k)
AdHash	estimate	150,0	book value		150,0
Natix	reported	101,0	book value		101,0
Finexity AG	estimate	335,0	estimate		400,0
Pandora Core AG	estimate	157,0	estimate		180,0
Blockchance UG	estimate	50,0	book value		50,0
XVA Blockchain GmbH	estimate	138,5	book value		138,5
Cadeia GmbH	estimate	138,5	book value		138,5
Diversifi Ltd	estimate	167,5	book value		167,5
Simetria Trading Solutions Ltd	estimate	167,5	book value		167,5
OURZ AG	reported	32,0	book value		32,0
asvin	reported	200,0	book value		200,0
Blockpit GmbH	reported	100,0	Series A 07/21		250,0
TTL equity investments					1.975
EUR/USD		1,14205			
Token	Source	Number Token (k)	Price per Token (USD)	Price per Token (EUR)	Current value (EUR k)
The Graph (GRT, 30d avg.)	reported	16.667	0,4712	0,4126	6.877
DAO Maker (DAO)	estimate	50	2,2710	1,9885	99
Shyft (SHFT)	estimate	250	0,3757	0,3290	82
bloX.move (BLXM)	estimate	150	1,4960	1,3099	196
Snook (SNK)	estimate	150	0,2484	0,2175	33
2key (2KEY)	estimate	3.000	0,0077	0,0068	20
Niftify (NIFT)	estimate	500	0,1170	0,1024	51
Sigmalex	estimate	na	na	na	100
Pendulum	estimate	na	na	na	100
Chainport	estimate	na	na	na	100
Public (PUBLX)	estimate	na	na	na	100
Pocket Network (POKT)	estimate	625	1,3550	1,1865	742
TTL token projects					8.501
Liquid cryptos and cash (estimate)				TTL liquid cryptos	8.500
Fair value of assets					18.976
- management fee 8 years on equity					316
- management fee 2 years on tokens					340
- management fee 1 year on coins and cash					170
- outstanding profit participation					1.750
NAV (EUR k)					16.400
8-Feb-22				NAV per share (EUR)	5,71

Source: AlsterResearch, coinIX

Due to the high volatility of token prices, we smooth them for the token of The Graph, which is particularly relevant for valuation. We use the average closing price of the last 30 days (source: Coindesk).

Based on these premises, we arrive at a fair value per share of EUR 5.71. This is derived only from the fair value of the current portfolio and thus does not take into account potential further increases in the value of the current portfolio and the value from future transactions.

Portfolio details

The composition of the portfolio is subject to regular change, as new investments are entered into and old ones are partially sold. This is especially true for cryptocurrencies, which are more liquid than equity investments. Therefore, an overview of the portfolio can only ever represent a snapshot. This is even more true for the value of the different portfolio components, which changes continuously for listed tokens. In this section, the components of the portfolio are presented in detail.

Portfolio: Token Projects

coinIX holds shares in 12 token projects. The following overview shows the most important token projects with a short description. If the tokens are traded on a crypto exchange, the market capitalization is also given. Further below are detailed descriptions of the projects.

Name	TKR	Market cap.	Description
The Graph	GRT	Δ	decentralized protocol for indexing and querying blockchain data
DAO Maker	DAO	...	venture capital platform for equity and token investments
Shyft	SHFT	..	protocol which can check and verify the identity of persons or machines
bloX.move	BLXM	•	utility token to pay for transportation services and reward the use of environmentally friendly modes of transportation
Snook	SNK	•	play-to-earn NFT game
2key	2KEY	•	monetization and tracking of links in online campaigns
Niftify	NIFT	•	platform to create, buy, sell and exchange NFTs
Pocket Network	POKT	na	network protocol, which encourages the operation of full nodes by incentivizing network participants
Sigmadex	na	na	cross-blockchain decentralized exchange
Pendulum	na	na	open-source blockchain that connects fiat and DeFi ecosystems through smart contracts
Public	PUBLX	na	Web2 search engine that uses tokens to incentivize content creation and indexing
ChainPort	na	na	ChainPort allows users to port their tokens to different blockchains with just a few clicks.

Source: coinIX, AlsterResearch

- < USD 10 Mio.
- .. USD 10 Mio. – 100 Mio.
- ... USD 100 Mio. – 1 Mrd.
- Δ USD 1 Mrd. – 10 Mrd.
- ΔΔ USD 10 Mrd. – 100 Mrd.
- ΔΔΔ > USD 100 Mrd.



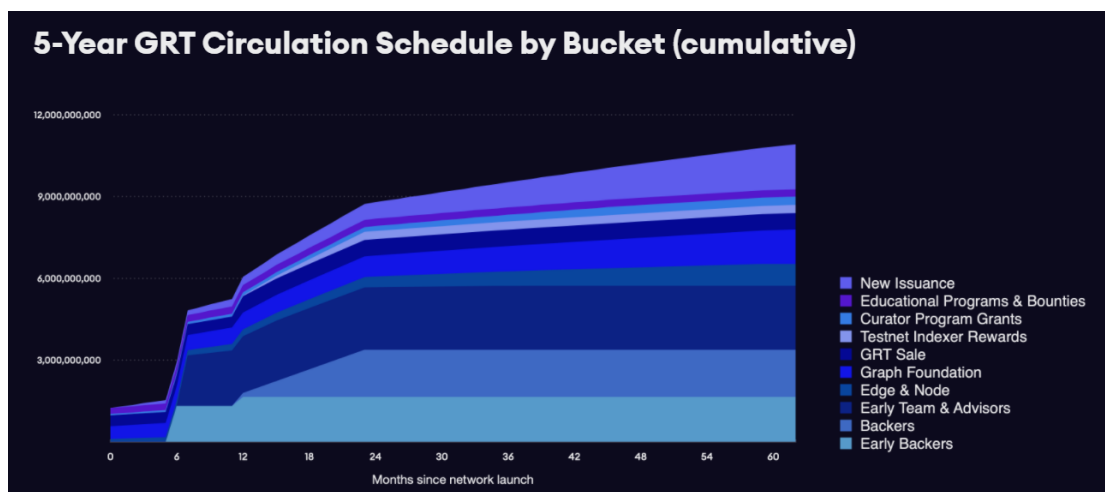
The Graph is a decentralized protocol for indexing and querying data from blockchains, starting with Ethereum. It allows for querying data that is difficult to access directly: Blockchains are a history of all transactions, linked together in the order in which they were completed. So, if you are looking for a piece of information without knowing where it is, you have to search through the blocks one by one starting from the first block, which takes a lot of time and energy.

One solution to this problem is to copy the entire blockchain and store it centrally in a database. An example of this approach is Etherscan, from where the data can be queried using its own API ("application programming interface"). However, centralized storage also has disadvantages, as it reduces the robustness of the system against faults ("single point of failure"). It can also be costly to combine data from multiple blockchains.

This is where The Graph comes in: The Graph makes blockchains searchable and is therefore often referred to as the Google of blockchains. The Graph makes it easier for developers to interact with blockchains, speeding up the creation of new applications and the tracking of valuable data. With The Graph, developers can focus on the user experience (UX/UI) and do not have to build a separate backend infrastructure for each application.

Today, over 6,000 developers are actively using The Graph and have created over 3,400 subgraphs (open APIs) for hundreds of applications. The Graph has now indexed over 25 blockchains and processes billions of search queries daily. The potential for The Graph to play a central role in the future blockchain ecosystem thus seems very high.

The biggest risk factor is Tokenomics: there are currently 4.7 billion GRT in circulation. Maximum circulation is around 10 billion GRT, with many of the additional tokens falling out of the lockup period in the next 12 months and thus becoming tradable, including those held by coinIX. The acquisition prices for these investors are sometimes very low, and it cannot be ruled out that many will realize the book profits.



Source: The Graph



DAO Maker is a platform for retail investors who want to invest in early-stage token projects by acting as an intermediary between retail investors and protocols during the fundraising process. Private households have not had sufficient participation in venture capital to date, missing out on performance and diversification gains. DAO Maker opens up access to this asset class to private households.



Shyft is developing an identity protocol that can be used to check and verify the identity of people or even machines. Currently, this is often done through manual know-your-customer (KYC) processes, where identity is checked against identification documents and often documented through copies of those IDs, the storage of which happens individually at each online portal. Shyft aims to solve the problem by using blockchain and encryption technology to enable customers to prove their identity to other institutions after being identified by a so-called trust anchor - for example, a bank - without having to provide identification documents again themselves and without having to disclose the underlying information themselves.



bloXmove is working on an open mobility protocol based on the BLXM token that facilitates intermodal usage across different urban mobility services such as electric scooters, car sharing or public transport. This utility token can be used to pay for transportation services while rewarding the use of environmentally friendly transportation. Thus, bloXmove connects micro-mobility providers, fleet operators, public transport as well as mobility managers with environmentally conscious users on a decentralized platform that maps identification, verification, smart contracting and payment transactions via blockchain. bloXmove was created as a management buyout from Daimler Group.



Snook has developed an online game where game characters are mapped as "non-fungible tokens" (NFTs) on a blockchain. Users are rewarded for game progress as their NFTs grow, increasing in value. The game is a remake of the classic game "Snake," which was played millions of times on Nokia phones in the late 1990s.



The 2Key Network enables monetization and tracking of links in online campaigns. For this purpose, the company has developed the 2key protocol, which allows embedding smart contracts (Web3 technology) into normal HTTP links (Web 2.0 technology). This makes it possible to track normal links and capture every person who shares them and reward them directly.



Niftify offers a comprehensive platform to create, buy, sell, and trade NFTs. Current solutions in the market often require crypto knowledge and are difficult to access for the general public or offer NFTs with limited utility. Niftify aims to make NFTs suitable for the masses and focuses on user-friendliness (e.g. payment is possible via Apple Pay even without crypto knowledge). In addition, Niftify wants to connect the digital and physical world, e.g. with NFTs as proof of origin of branded products or as tickets to real events.



Sigmadex is a cross-blockchain decentralized exchange designed on a game-theoretic basis and driven by the community. As a result, Sigmadex creates a self-stabilizing liquidity protocol.

Pendulum

Pendulum is an open-source blockchain designed to provide the missing link between the fiat and DeFi ecosystems through a sophisticated smart-contract network. Pendulum will allow automated market makers to be built to introduce scalable liquidity pools for fiat currencies and create return opportunities for stablecoin holders.



PUBLC is a search engine designed for today's modern Internet. PUBLC offers a click economy in which content creators, platforms, as well as users themselves can benefit from helping the search engine create, index and serve content.



Pocket Network is working on a decentralized network protocol that incentivizes network participants to operate so-called full nodes. Blockchains require a critical amount of such nodes to function as a network. Currently, individuals in particular usually have no incentive to run computationally intensive software for a blockchain.



ChainPort is an easy-to-use, secure and permission-free blockchain bridge for crypto tokens. ChainPort allows users to port their tokens to different blockchains (and vice versa) with just a few clicks. The original (native) tokens ported to another blockchain are mostly stored in ChainPort cold vaults, and the newly minted tokens enable full interoperability within the ChainPort ecosystem.

Portfolio: Liquid coins / crypto currencies

Although coinIX follows a buy-and-hold strategy for liquid cryptocurrencies, it still buys and sells occasionally and does not regularly publish its current holdings. According to coinIX, the company holds investments in 20 liquid coins. In the past, positions have been published in the following cryptocurrencies, among others:

Name	TKR	Market cap.	Description
Bitcoin	BTC	ΔΔΔ	pure cryptocurrency, first and dominant cryptocurrency (about 40% value share of all listed tokens)
Ethereum	ETH	ΔΔΔ	#2 cryptocurrency, at the same time platform for decentralized apps with smart contracts (ERC20)
Binance Coin	BNB	ΔΔ	#3 cryptocurrency, token to pay commissions on the Binance platform
Polkadot	DOT	ΔΔ	links different blockchains; is thereby performant, energy-efficient and well scalable
Tether	USDT	ΔΔ	stablecoin (according to issuer Tether Limited / Bitfinex 1:1 backed by USD and other assets).
USD Coin	USDC	ΔΔ	stablecoin (according to the issuer Circle 1:1 covered by USD and other assets).
Celo	CELO	Δ	CO2-overcompensated blockchain that uses cell phone numbers as a public key, enabling banking services for smartphone users
Ocean	OCEAN	...	marketplace for data sets and data based services
Cartesi	CTSI	...	enables the development of blockchain applications on Linux in standard programming environments
THORChain	RUNE	Δ	decentralized liquidity protocol for exchanging cryptocurrencies across a range of networks

Source: AlsterResearch, coinIX, Coinmarketcap

- < USD 10 Mio.
- .. USD 10 Mio. – 100 Mio.
- ... USD 100 Mio. – 1 Mrd.
- Δ USD 1 Mrd. – 10 Mrd.
- ΔΔ USD 10 Mrd. – 100 Mrd.
- ΔΔΔ > USD 100 Mrd.

Portfolio: Equity stakes

In the equity segment, coinIX holds investments in start-ups in the seed and Series A stage, primarily in the DACH region and Israel. The companies use blockchain or distributed ledger technology (DLT) as part of their product or service. Here are some important investments in detail:



Company description: AdHash AG, based in Zug, Switzerland, operates a novel, privacy-oriented online advertising platform. It aims to revolutionize the online advertising market, which is currently still dominated by three Internet giants. AdHash makes it possible to place ads, manage campaigns and collect data on the success of the campaigns themselves. The data flows directly between publishers and advertisers, without the need for an intermediary for third-party verification. This results in significant cost savings. In addition, the solution is privacy-respecting, as it does not require third-party cookies.

Management: Martin Stoev (CEO, Co-Founder), Adriana Taseva (COO, Co-Founder)

Employees: 23

Co-investors: Creative Destruction Lab (Lead-Investor), Blockrocket, CV VC



Company description: NATIX GmbH is creating a platform on which urban surveillance cameras use artificial intelligence to automatically recognize relevant events and exchange information with other cameras via a blockchain-based communication interface developed by NATIX itself. In this context, cameras from different manufacturers and different operators can also be integrated in order to better control traffic flows, for example, or to be able to react more quickly and in a more targeted manner in the event of accidents. The solutions developed by NATIX are particularly relevant for operators of industrial plants and for the development of networked cities (smart cities).

Management: Dr. Alireza Ghods (Business Development & Partnership, Co-Founder), Omid Mogharian (Tech & Development, Co-Founder), Lorenz Much (Product & Marketing, Co-Founder)

Employees: 30

Co-investors: Sebastian Prödl, Investitions- und Förderbank, Plug and Play Tech Center, EXIST



Company description: To enable tokenization on the Bitcoin blockchain, Pandora Core AG is developing a new interactive network protocol based on the Lightning network with the abbreviation LNP/BP. This introduces an independent layer above the blockchain, comparable to the TCP/IP protocol, which introduced another layer for the Internet in 1983 and thus created the conditions for its widespread use.

Management: Maxim Orlovsky (CEO), Sabina Sachtschinskaja (CFO, Co-Founder), Olga Ukolova (COO, Co-Founder)

Employees: 3

Co-investors: na



Company description: FINEXITY AG is developing a platform for the tokenization of difficult-to-trade assets such as real estate, artworks and classic cars, which were previously only available to very wealthy investors. Tokenization of tangible assets makes it possible to purchase small stakes in the assets, making them accessible to investors with lower budgets. The company plans to become a digital equivalent of the family office by creating new opportunities for individual portfolio management.

Management: Paul Huelsmann (CEO, Founder), Henning Wagner (CTO, Founder), Tim Jansen (Head of Blockchain)

Employees: 17

Co-investors: EY Startup Academy



Company description: Simetria Trading Solutions Ltd. from Israel is developing a platform on which unlisted companies can grant their employees and investors digitized company shares or options. These are mapped on a blockchain and can thus be traded as on a stock exchange. Simetria is thus one of the trendsetters using the blockchain to digitize so-called "non-bankable assets" (NBAs). The platform, which is already active in Israel, enables both liquid trading and automatic monitoring of holding periods. In this way, employees can cover any liquidity needs while companies gain new shareholders in return.

Management: Ziv Keinan (CEO, Co-Founder), Ariel Weiss (CTO, Co-Founder). Ami Ben David (Chairperson)

Employees: 4

Co-investors: na



Company description: Diversifi is the first technology-driven crypto asset management platform that provides risk mitigation strategies for digital currency investments to institutions (investment banks, funds, brokers, family offices and companies holding crypto treasuries). Diversifi's investment strategies address extreme volatility by offering sophisticated hedging that is automatically calculated and executed. Diversifi enables a new kind of "green" investing - offsetting the carbon footprint makes investments environmentally friendly and impact neutral.

Management: Eitan Katz (Founder und CEO), Guy Vider (Co-Founder & CTO), Asaf Yosifov (Co-Founder), Tzahi Kanza (Co-Founder & COO), Akiva Katz (Business Development)

Employees: na

Co-investors: na



Company description: Cadeia develops and operates a blockchain-based platform for the digital structuring, issuance and settlement of complex financial products (e.g. asset-backed securities or syndicated loans) as well as the automated and rule-based management of the related payment flows.

Management: Rolf Steffens (Managing Director, Co-Founder), Patrick Hartl (Managing Director, Co-Founder)

Employees: 6

Co-investors: Blockrocket



Company description: Germany's leading blockchain conference and blockchain trade show, aiming to create an innovative full-service news, media and education platform for the latest distributed ledger technologies.

Management: Fabian Friedrich (CEO, Co-Founder), Konrad Gruner (Executive Assistant to CEO, Co-Founder)

Employees: 17

Co-investors: na



Company description: asvin is focused on safeguarding IoT devices from malicious attacks, device spoofing, and data breaches. Based on distributed ledger technology (i.e. blockchain) and peer-to-peer network storage, asvin provides a software as a service model for IoT vendors and manufacturers to facilitate the delivery of security patches and updates for IoT devices.

Management: Mirko Ross (CEO), Sven Rahlfs (COO), Rohit Bohara (CTO), Rob van Kranenburg (CIO)

Co-investors: BESTO, Blockchain Founders Group, CV VC

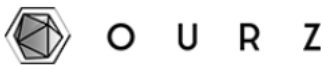
Blockpit

Company description: Blockpit is developing software called Cryptotax that will enable automated calculation of taxable profits from crypto asset trading (such as Bitcoin and Ethereum) and other activities of crypto traders and investors (such as income from staking, DeFi, lending, mining, and margin trading).

Management: Florian Wimmer (CEO & Co-founder), Thomas Buchsteiner (CTO), Vladimir Tosovic (CMO & Co-founder), Gerd Karlhuber (COO & Co-founder), Magnus Berchtold (CPO & Co-founder)

Employees: na

Co-investors: Avaloq Ventures, Middlegame Ventures, European Super Angels Club, Fabric Ventures, Tioga Capital, Force Over Mass Capital, Venionaire Capital



Company description: OURZ is a supply chain management platform that uses blockchain to bring transparency to supply chains and create incentives for fair cooperation. The individual production steps and transport routes are stored transparently and immutably in the blockchain.

Management: Antoni Hauptmann (CEO)

Employees: na

Co-investors: na



Company description: In addition to consulting services for banks, capital management companies and insurance companies, the XVA Blockchain offers a platform solution for automated transaction processes that often could not be digitized until now. The service behind this is to process smart contracts via the XVA Blockchain. This means that even complex transaction processes can now be automated. The added value for clients is improved processing, savings of 5-100% of the equity required by banks, and a reduction in operational risk (no "single point of failure" with a blockchain).

Management: Thomas A. Schwiertz (CEO)

Employees: 10

Co-investors: na

Background on blockchain and tokens

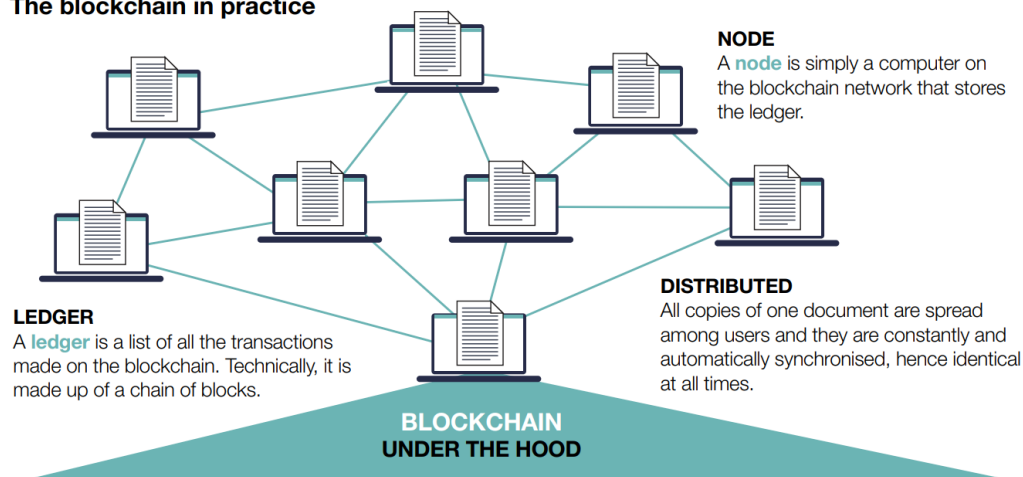
Blockchain

A wide range of documentation on the blockchain is available from different sources, ranging from non-technical explanations aimed at laypeople to highly technical documentation, including white papers and code on GitHub, requiring a high degree of sophistication in IT and coding. The following is a very short explanation not requiring any technical background, with the aim of showing the commercial potential of the blockchain. It is partly based on [The OECD Blockchain Primer](#), which provides a good non-technical introduction.

Very simply put, a **blockchain is a ledger** which chronologically records transactions. In this way, it can be compared to a shareholder register maintained by a stock corporation or a land registry maintained by a local authority.

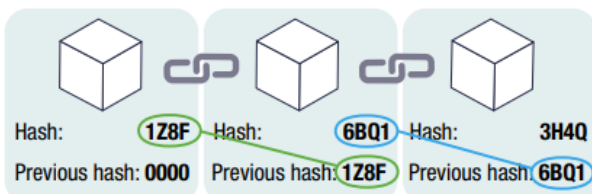
However, while traditional ledgers like a shareholder or land registry have to be maintained by a single trusted central authority (a corporation, a bank, a government authority etc.), the **blockchain ledger is distributed among all users on the network (nodes)**, each keeping an identical copy of the ledger.

The blockchain in practice



Source: OECD

Transactions on the blockchain are **stored in blocks that are chained together** by a unique string of numbers and letters, a **hash**, created by solving difficult mathematical problems. Solving the problem and adding a block is called **mining** and usually rewarded, for example in cryptocurrency like Bitcoin. No block can be added without the consent of specified nodes in the network, the exact rules how this works is called the **consensus mechanism**.



Source: Savjee

Two key characteristics of the blockchain thus are:

1. **Distributed:** the database is held and maintained by all nodes in the network, there is no central authority.
2. **Immutable:** once a transaction is recorded on the blockchain, it is almost impossible to undo. This contributes to the trustworthiness of the recorded data.

Two further **features of a blockchain** are worth mentioning:

1. **Openness:** **public** blockchains are open for anyone to read, while **private** blockchains can only be viewed by a chosen group.
2. **Level of permissions required to add information:** In **permissionless** blockchains, anyone can contribute and add data to the ledger, in **permissioned blockchains**, only selected users can.

For example, Bitcoin and Ethereum are public permissionless blockchains. On public blockchains, the transactions of user accounts are visible to all other users, thus they are **NOT anonymous but pseudonymous**. This means that each transaction can be connected to a user account and if the identity behind that account becomes known, it can also be traced back to the user.

Tokens

Digital assets on the blockchain are called **tokens**, and the process of transferring the rights of a real-world asset into a digital representation is called **tokenization**.

Main types of tokens are

1. **Payment tokens**, also known as **cryptocurrencies**. Examples: Bitcoin, Ethereum, Cardano and Tether (note that Tether is a stablecoin, i.e. the value is pegged to the value of a national currency, in this case the USD).
2. **Utility tokens** represent a right to a good or service, similar to air miles or gift cards. For example, Filecoin allows users access to a cloud storage platform.
3. **Security tokens** provide **equity or an equity-like investment in a company**. For example, U.S. listed company Overstock paid a dividend in security tokens which come with nearly the same rights as the listed shares.
4. **Asset-backed tokens** represent a digital claim on a physical asset like gold, crude oil, real estate, pieces of art, wine or even intangible assets like a patent or a copyright.

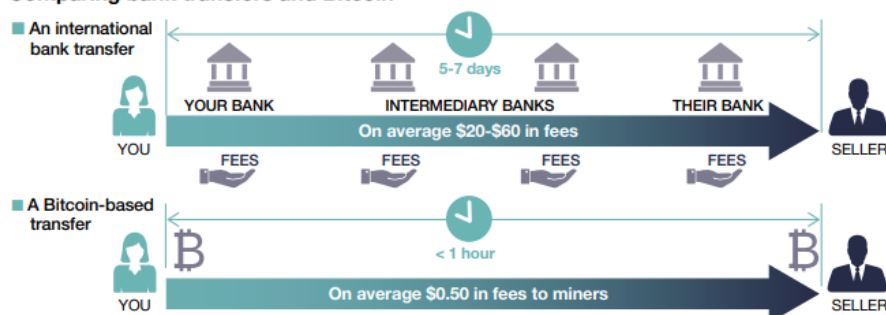
Coins in a narrow sense are cryptocurrencies, but sometimes the expression is also used for other types of tokens. Start-ups can raise funds by selling utility tokens in an initial coin offering (**ICO**) or by selling security tokens in a security token offering (**STO**). The regulatory landscape for issuing tokens is still in its infancy and differs substantially between jurisdictions.

As described above, coinIX makes the distinction between liquid coins or token projects dependent on the status at the time of acquisition: "liquid coins" are understood to be those digital assets that were traded or listed on a crypto exchange at the time of acquisition, while "token projects" are understood to be those that were NOT traded or listed on a crypto exchange at the time of acquisition.

There are several **advantages of tokenization**:

- **Cutting out the middleman:** Tokenized assets or cryptocurrencies can be transferred directly from user to user without going through intermediaries like banks. **This saves time and costs and reduces counterparty risk.**

Comparing bank transfers and Bitcoin



Source: OECD



Fractionalization: Tokens can represent partial ownership of unique assets, for example the painting “Filette au béret” by Pablo Picasso has been tokenized into 4,000 tokens. These can be traded on a platform. Thus tokenization improves the liquidity of non-fungible assets (thus these tokens are called non-fungible tokens, or NFTs) and opens asset classes to investors that otherwise would have been shut out.

- **Automation:** Smart contracts on the blockchain are contracts that can be executed and enforced without human interaction. They can lead to efficiency gains: for example, a token representing a share in a rented house can distribute rents automatically by an airdrop, i.e. the transfer of cryptocurrency to the holders of the token. The same mechanism could be used to distribute dividends or interest.
- **Transparency and safety:** Whereas in a centralized ledger, there is a single point of failure that is vulnerable to manipulation, a distributed ledger is almost immutable and tamper-proof. It can also be designed to be more transparent if it is on a public blockchain.



Source: builtin.com

Next to cryptocurrencies and tokens, the blockchain is a potentially useful **enabling technology** in many other industries. Worth mentioning are:

DeFi: DeFi stands Decentralized Finance and encompasses financial services with digital assets, mostly based on smart contracts. The financial services function without banks or financial institutions. The use cases “tokenization of assets”, ICO and STOs have already been presented above. In addition, there are lending platforms such as Aave or Compound, which offer traditional financial services such as interest-bearing deposits and loans based on cryptocurrencies. In total, the value of money locked up in DeFi applications (“total value locked”) is approximately USD 100 billion (source: DeFi Pulse).

Logistics / supply chains: Blockchain technology allows the tracking of goods along the supply chain, for example to ensure the origin of gemstones (e.g. diamonds), meat and other food or clothing. A more transparent supply chain will allow companies to identify risks and consumers to make informed decisions. The challenge is to ensure that only reliable information is entered on the blockchain (“garbage in, garbage out”).

Healthcare: Healthcare providers can use the blockchain to replace siloed information in multiple databases, making it easier to selectively share information. This can potentially reduce the costs and improve the quality of the healthcare system. Obstacles to implementation are privacy and data security concerns.

Energy: The blockchain can be used to set up peer-to-peer electricity trading, thus facilitating systems with a large number of distributed renewable energy resources.

Public administration: Blockchain technology can be used to register votes and conduct elections or referendums. Any administrative processes can be transparently documented with blockchain and thus used to secure against data loss and subsequent manipulation or to fight corruption.

Identity management: Blockchain identity management enables everyone in the network to see which credentials are valid and who attested to the validity, without revealing the actual data. The information is auditable, traceable and verifiable.

Other use cases of the blockchain are possible (for example in **law, digital content protection, transportation or online marketing**) and are currently explored.

Financials

Attention: Note: German GAAP reporting is not very meaningful for an investment company.

Profit and loss (EUR m)	2018	2019	2020	2021P	2022E	2023E
Net sales	0.0	0.0	0.0	0.0	0.0	0.0
Sales growth	na	na	na	0.0%	0.0%	0.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	0.0	0.0	0.0	0.0	0.0	0.0
Material expenses	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.0	0.0	0.3	3.8	0.0	0.0
Personnel expenses	0.0	0.0	0.0	0.0	0.0	0.0
Other operating expenses	0.1	0.2	0.3	2.9	0.4	0.4
EBITDA	-0.1	-0.2	-0.0	0.9	-0.4	-0.4
Depreciation	0.0	0.1	0.0	0.0	0.0	0.0
EBITA	-0.1	-0.2	-0.1	0.9	-0.4	-0.4
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-0.1	-0.2	-0.1	0.9	-0.4	-0.4
Financial result	0.0	0.0	0.0	0.8	0.0	0.0
Recurring pretax income from continuing operations	-0.1	-0.2	-0.1	1.7	-0.4	-0.4
Extraordinary income/loss	0.0	0.0	-0.6	0.0	0.0	0.0
Earnings before taxes	-0.1	-0.2	-0.7	1.7	-0.4	-0.4
Taxes	0.0	-5e-7	0.0	0.0	0.0	0.0
Net income from continuing operations	-0.1	-0.2	-0.7	1.7	-0.4	-0.4
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-0.1	-0.2	-0.7	1.7	-0.4	-0.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-0.1	-0.2	-0.7	1.7	-0.4	-0.4
Average number of shares	1.06	1.06	2.31	2.87	2.87	2.87
EPS reported	-0.10	-0.22	-0.29	0.59	-0.14	-0.14

Balance sheet (EUR m)	2018	2019	2020	2021P	2022E	2023E
Intangible assets (exl. Goodwill)	0.7	0.5	0.5	4.0	4.0	4.0
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.1	0.2	0.4	0.4	0.4	0.4
FIXED ASSETS	0.8	0.6	0.9	4.4	4.4	4.4
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.0	0.1	0.3	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	0.1	0.2	0.1	2.3	1.9	1.5
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	0.1	0.3	0.4	2.3	1.9	1.5
TOTAL ASSETS	0.9	0.9	1.3	6.7	6.3	5.9
SHAREHOLDERS EQUITY	0.9	0.7	1.2	6.7	6.3	5.9
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.2	0.0	0.0	0.0	0.0
Non-current liabilities	0.0	0.2	0.0	0.0	0.0	0.0
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.0	0.0	0.1	0.0	0.0	0.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	0.0	0.0	0.1	0.0	0.0	0.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	0.9	0.9	1.3	6.7	6.3	5.9

Balance sheet (common size)	2018	2019	2020	2021P	2022E	2023E
Intangible assets (excl. Goodwill)	80%	52%	41%	60%	64%	68%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	0%	0%	0%	0%	0%	0%
Financial assets	6%	18%	30%	6%	6%	7%
FIXED ASSETS	85%	69%	71%	66%	70%	75%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	5%	6%	21%	0%	0%	0%
Other current assets	0%	0%	0%	0%	0%	0%
Liquid assets	9%	24%	8%	34%	30%	25%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	15%	31%	29%	34%	30%	25%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	99%	76%	91%	100%	100%	100%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	0%	0%	0%	0%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	0%	24%	1%	0%	0%	0%
Non-current liabilities	0%	24%	1%	0%	0%	0%
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	0%	0%	8%	0%	0%	0%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	0%	0%	0%	0%	0%	0%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	0%	0%	8%	0%	0%	0%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2018	2019	2020	2021P	2022E	2023E
Net profit/loss	0.0	0.0	0.0	1.7	-0.4	-0.4
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	-0.0	0.0	0.0
Cash flow from operations before changes in w/c	0.0	0.0	0.0	1.7	-0.4	-0.4
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.3	0.0	0.0
Increase/decrease in accounts payable	0.0	0.0	0.0	-0.1	0.0	0.0
Increase/decrease in other w/c positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	0.0	0.0	0.0	0.2	0.0	0.0
Cash flow from operating activities	0.0	0.0	0.0	1.8	-0.4	-0.4
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	-3.5	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	0.0	0.0	0.0	-3.5	0.0	0.0
Cash flow before financing	0.0	0.0	0.0	-1.7	-0.4	-0.4
Increase/decrease in debt position	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	3.8	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.0	0.0	3.8	0.0	0.0
Increase/decrease in liquid assets	0.0	0.0	0.0	2.2	-0.4	-0.4
Liquid assets at end of period	0.0	0.0	0.0	2.2	1.8	1.4

Source: Company data; AlsterResearch

Ratios	2018	2019	2020	2021P	2022E	2023E
Per share data						
Earnings per share reported	-0.10	-0.22	-0.29	0.59	-0.14	-0.14
Cash flow per share	-0.02	-0.06	-0.01	0.64	-0.14	-0.14
Book value per share	0.85	0.63	0.51	2.33	2.19	2.05
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-49.1x	-22.5x	-17.0x	8.4x	-36.0x	-36.0x
P/CF	-296.4x	-87.0x	-380.8x	7.8x	-36.0x	-36.0x
P/BV	5.9x	7.9x	9.8x	2.1x	2.3x	2.4x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-0.3%	-1.1%	-0.3%	12.9%	-2.8%	-2.8%
EV/Sales	na	na	14,246.7x	12,085.7x	12,484.7x	12,883.7x
EV/EBITDA	-159.8x	-81.5x	-377.2x	13.4x	-31.3x	-32.3x
EV/EBIT	-133.2x	-60.4x	-209.1x	13.4x	-31.3x	-32.3x
Income statement (EURm)						
Sales	0.0	0.0	0.0	0.0	0.0	0.0
yoy chg in %	na	na	na	0.0%	0.0%	0.0%
Gross profit	0.0	0.0	0.0	0.0	0.0	0.0
Gross margin in %	na	na	100.0%	100.0%	100.0%	100.0%
EBITDA	-0.1	-0.2	-0.0	0.9	-0.4	-0.4
EBITDA margin in %	na	na	-3,777.4%	90,100.0%	-39,900.0%	-39,900.0%
EBIT	-0.1	-0.2	-0.1	0.9	-0.4	-0.4
EBIT margin in %	na	na	-6,812.7%	90,100.0%	-39,900.0%	-39,900.0%
Net profit	-0.1	-0.2	-0.7	1.7	-0.4	-0.4
Cash flow statement (EURm)						
CF from operations	0.0	0.0	0.0	1.8	-0.4	-0.4
Capex	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance Capex	0.0	0.1	0.0	0.0	0.0	0.0
Free cash flow	0.0	0.0	0.0	1.8	-0.4	-0.4
Balance sheet (EURm)						
Intangible assets	0.7	0.5	0.5	4.0	4.0	4.0
Tangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	0.9	0.7	1.2	6.7	6.3	5.9
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	0.0	0.2	0.0	0.0	0.0	0.0
Net financial debt	-0.1	-0.2	-0.1	-2.3	-1.9	-1.5
w/c requirements	0.0	0.1	0.2	0.0	0.0	0.0
Ratios						
ROE	-11.9%	-35.2%	-57.7%	25.4%	-6.3%	-6.8%
ROCE	-11.9%	-26.7%	-5.7%	13.5%	-6.3%	-6.8%
Net gearing	-9.3%	-32.0%	-9.0%	-33.9%	-29.7%	-24.9%
Net debt / EBITDA	0.9x	1.2x	2.8x	-2.5x	4.7x	3.7x

Source: Company data; AlsterResearch

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Company	Disclosure
coinIX GmbH & Co KGaA	2, 8

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5. Date and time of first publication of this financial analysis
9-Feb-22 10:26:23

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