EDISON

Advanced Blockchain

Aspiring to become the gateway to digital assets

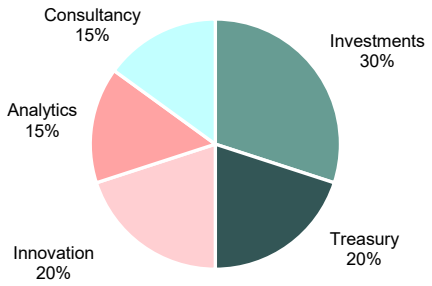
Investment companies
Listed venture capital

9 February 2026

Price	**€1.94**
Market cap	**€8m**
Shares in issue	4.1m
Code/ISIN	ABX/DE000A0M93V6
Primary exchange	XETRA
AIC sector	N/A
Financial year end	31 December
52-week high/low	€4.4 €1.8

Advanced Blockchain (ABAG) is starting a new chapter following the appointment of new management in 2024 and the recent launch of its new strategy aimed at establishing a lean, resilient and transparent business with multiple income streams, some of which will be recurring. Through this strategy, ABAG aspires to become a gateway to blockchain and web3 technology for a broad investor base, with its core mission to reduce the technical and structural complexity of blockchain investments for traditional investors in the capital market. It will continue to pursue investment themes with high disruptive potential, including decentralised physical infrastructure networks (DePIN), robotics, AI-powered blockchain solutions, tokenised assets, decentralised finance (DeFi) and yield protocols, as well as blockchain infrastructure and interoperability.

Exhibit 1: Targeted medium-term revenue contribution by pillar



Source: Advanced Blockchain management

Launching ABAG 2.0

ABAG has recently unveiled its new strategy, which is based on five key pillars. It introduced an active digital asset treasury strategy involving the accumulation of Bitcoin (BTC), and potentially Ethereum (ETH) and selected other blue-chip digital assets, on its balance sheet to benefit from price appreciation and income generation. In this way, ABAG will provide its shareholders with exposure to the underlying assets, which may be especially valuable for institutions that cannot access these assets directly. ABAG will continue to act as an innovation partner, but (unlike in 2021–22) will carry out these activities primarily through strategic accelerators and grant partnerships with leading venture capitalists and ecosystem foundations. It will also continue its investments in operational early-stage projects through liquid tokens and simple agreements for future tokens (SAFTs) but with the aim to monetise them more quickly than in the past (after c 2.5 years on average). ABAG also plans to offer personalised consultancy services for family offices, and potentially other smaller institutions, to help them navigate the digital asset space. These activities will be assisted by ABAG's analytics and research division.

We consider an investment in the shares of a listed early-stage investor and innovation partner such as ABAG as complementary to an investment in a portfolio of digital assets, in much the same way as an investment in a traditional VC portfolio complements a portfolio of listed equities. Its treasury strategy adds direct exposure to the underlying asset and, together with the targeted recurring fee income, could in the long run transform ABAG into a one-stop shop for exposure to digital assets.

Fund objective

Advanced Blockchain is a Berlin-based investor and innovation partner specialising in the blockchain industry. The company focuses on identifying challenges within the decentralised blockchain and web3 economy, investing in and accelerating solutions to address them.

Bull points

- Long-term expertise and network to drive innovation and invest in promising early-stage blockchain/web3 businesses.
- New strategy aimed at building a lean, transparent and resilient business with multiple revenue streams and a proportion of recurring income.
- Claims against former directors and advisers may result in additional income.

Bear points

- Developments at legacy projects could lead to further asset write-offs.
- ABAG is yet to build a successful long-term track record of positive returns across the entire portfolio.
- High weight of ABAG's current portfolio value in one project (peaq).

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From an advisory firm to an innovation partner and early-stage investor

ABAG is a German innovation partner and VC investor in early-stage businesses active in the areas of blockchain and web3, and is listed on the Frankfurt Stock Exchange (in the Scale segment) and the Düsseldorf Stock Exchange. Blockchain is a type of distributed ledger technology, a database that is shared across a peer-to-peer network, synchronised so that all nodes in the network have a copy of the same data and maintained through a consensus mechanism. Web3 can be defined as a blockchain-powered decentralised internet that gives users direct ownership and control of their data, identity and digital assets while enabling trustless, permissionless interactions without centralised intermediaries.

ABAG started as an advisory firm in 2017, focused on the potential of blockchain applications and providing services to companies such as Vodafone, Gucci, Volkswagen and DMG MORI. As the business gained expertise, it began to incubate infrastructure projects in the digital assets space (such as peaq, Panoptic and Quasar) and to gain early access to leading protocols such as Polkadot. It also started deploying capital into already operating blockchain/web3 businesses, with a focus on pre-seed and seed investments. In total, its incubations and early-stage investments have raised over $100m from global investors.

An example of ABAG's successful incubation is the DeFi protocol Quasar. ABAG initiated the idea, provided resources to set up the core team behind the project and deployed its development resources in exchange for a sizeable amount of the project's native token (cryptocurrency). The incubation started in late 2021, and until the investment exit in November 2022, ABAG collected income of $0.47m from incubation services, $1.0m from the sale of intellectual property rights and $3.45m from token sale. That is $4.92m in total, compared to internal costs incurred of $0.43m, which represents a healthy 11.4x multiple on invested capital (MOIC). We note that ABAG achieved this strong result despite exiting the investment after the crypto market crash in 2022.

In light of the high consumption of capital and an unfavourable market environment at that time, ABAG decided to halt its incubation activities in the summer of 2022.

New strategy built on five core pillars

Going forward, ABAG's activities will be organised into five complementary core pillars: treasury, innovation, investments, consultancy and analytics. Management highlights that this broad range of activities will be introduced gradually in the coming years. Through this strategy, ABAG aspires to become a gateway to blockchain and web3 technology for a broad investor base, with its core mission to reduce the technical and structural complexity of blockchain investments for traditional investors in the capital market. As part of its new strategy, ABAG will also aim to minimise the capital outlays on its existing portfolio.

Pillar #1: BTC treasury strategy

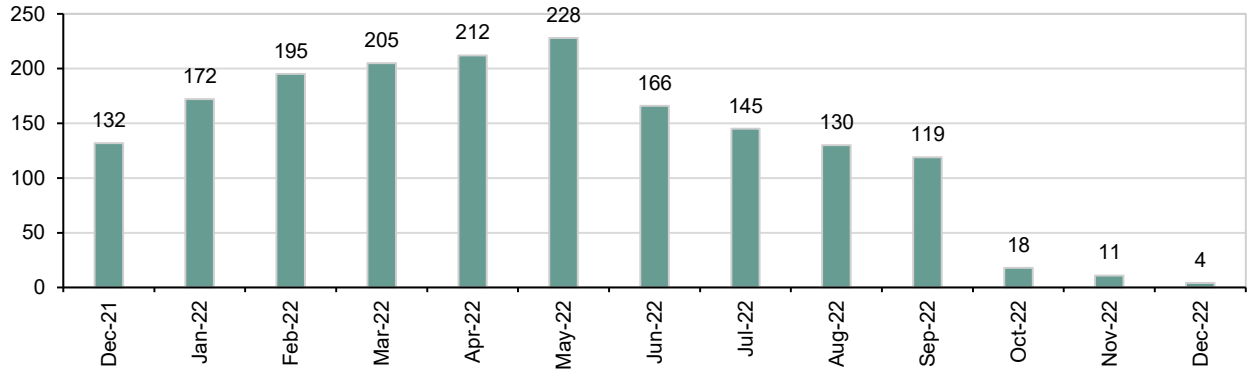
The first pillar is an active digital asset treasury strategy. It aims to invest in BTC, and potentially ETH and selected other cryptocurrencies, and hold these on its balance sheet, primarily to offer European institutional investors exposure to the underlying assets, which they cannot gain otherwise due to mandate, custody or tax constraints. Initially, purchases will be financed internally, but later, subject to demand, may be fuelled by the issue of low-coupon convertible debt (with leverage capped at 30–35% of ABAG's portfolio value beyond assets held in digital asset treasury). While there are multiple BTC treasury companies in the US (the most notable example being Strategy, formerly known as MicroStrategy), the opportunity set in continental Europe is more limited according to management, and ABAG wants to fill this market gap. In parallel, it aims to provide further business diversification and flexibility through its other core pillars.

ABAG's treasury activities will be guided by an active approach; it will add assets from its treasury to its trading activities only in high-conviction market phases (when yield generation opportunities are better). It will write covered calls or use a condor option strategy when markets move sideways. It will reduce the amount of treasury assets used for trading and lend out its BTC conservatively when its conviction in the potential for near-term positive BTC price movement is low. ABAG will also deploy its crypto treasury reserve to generate passive yield (also across DeFi).

Pillar #2: Driving innovation through accelerators and grant partnerships

The company's current strategic objective is to continue acting as an innovation partner and venture builder by supporting and scaling projects through operational expertise, strategic guidance and providing access to ABAG's ecosystem. The previous management team (prior to the change in H224) scaled back ABAG's incubation activities during the crypto downturn in 2022; the company significantly downsized its team from almost 230 employees and freelancers in May 2022 to just four by the end of 2022 (see Exhibit 2).

Exhibit 2: ABAG significantly downsized its team of employees and freelancers during the last 'crypto winter'



Source: Advanced Blockchain data

Unlike ABAG's previous resource-intensive incubation activities, it will now drive innovation of new blockchain/web3 projects through strategic accelerators and grant partnerships with leading VCs and ecosystem foundations and hire external developers only if its partners have insufficient in-house resources. Management believes this should provide the company with access to innovative businesses at a reduced cost and execution risk, and allow ABAG to focus on its strengths in identifying talent, providing strategic advice and making selective investments, while its partners take care of operational support and mentoring. On top of the potential returns from investments, management expects these activities to generate success-based fees and revenue from additional services provided to supported projects.

We note that ABAG's past incubations and investments have attracted mid- and top-tier crypto VC funds as well as other prominent crypto players as investors. A good example is Panoptic's $4.5m funding round in December 2022 (completed close to the trough of the previous market cycle), with participation from investors such as gumi Cryptos Capital, Coinbase Ventures and Jane Street, among others. ABAG's network partners also include members of its supervisory board (especially Sebastian Markowsky), which we discuss below. The company's holdings resulting from past incubations include peaq (initiated in 2017), Panoptic (2022) and Pendulum (2021).

Pillar #3: Early-stage investments primarily via liquid tokens and SAFTs

ABAG plans to maintain its pursuit of early-stage investments in the form of SAFTs, with an average holding time of around two and a half years, and a particular focus on DePIN, robotics, AI-powered blockchain solutions, tokenised assets, DeFi and yield protocols, as well as blockchain infrastructure and interoperability (eg chain abstraction, privacy, see details below). These areas are ABAG's 'sweet spot' given its expertise and international target and investor network.

Management considers this pillar as having the greatest short- and medium-term potential to generate revenue for ABAG given the existing holdings and a clearly defined schedule of token unlocks (see Exhibit 6 below).

Pillars #4 and #5: Subscription fees and data services complemented by advisory

ABAG also plans to offer personalised consultancy services for family offices (and potentially other smaller institutional investors) to help them navigate the digital asset space, covering token exposure, treasury, staking and DeFi. The untapped future market opportunity seems sizeable, given that only 18% of family offices are invested in digital assets, according to Citi Wealth's 2025 Global Family Office Report. The remaining 69% do not consider it a priority at this stage, while 13% have considered it but are still doing research or seeking advice on the asset class. Within its consultancy services, ABAG will leverage its analytics and research division, particularly through the AI-enabled data and research platform, ABX Analytics, for institutional investors. Management highlighted that ABX Analytics remains in a nascent stage, but that the groundwork (in terms of research, architecture design etc) has been laid to ensure the platform's long-term scalability and functionality. It is designed to be one of few platforms that can be easily used by 'non-native' crypto investors. ABAG's analytics and research division will initially generate revenue from subscriptions, research products and data licensing, for which it sees strong long-term scalability potential as the institutional client base grows.

Driving greater resilience through recurring income streams

By implementing its strategy based on these five core pillars, management seeks to reduce the company's dependency on token sales to fund its operations. It aims to establish diversified and recurring income streams that can sustain ABAG's operations across market cycles. Firstly, this includes income from yield farming activities such as staking and DeFi activities. Secondly, it covers recurring revenue from advisory services, as well as subscription fees and other revenues from data services mentioned above. Finally, its recurring income streams may include management fees from special purpose funds launched in key verticals, and possibly also an exchange traded fund (ETF) or another exchange traded product (ETP) investing in liquid tokens, to attract third-party capital (from strategic partners, family offices and institutions).

Exhibit 3: ABAG's targets for 2026–28

Source: Advanced Blockchain

Strong corporate standards high on ABAG's agenda

The management team emphasises ABAG's commitment to transparency, consistent and proactive communication with the market, strong corporate governance, regulatory compliance and risk management. The team conducted a comprehensive forensic review of internal issues that the company faced in prior years, identifying what it believes were several deficiencies under the previous management. These included:

- mismanagement with respect to the safekeeping of ABAG's token holdings;
- selective disclosure of sensitive company information to external parties;
- subpar liquidity management requiring a forced sale of assets to fund a tax liability;
- incomplete or incorrect corporate documentation and accounting; and
- a complex, opaque and inefficient group structure.

ABAG's new management team has introduced improvements to the safekeeping of digital assets, including the use of tools and infrastructure from Fireblocks, an enterprise-grade platform for moving, storing and issuing digital assets (enabling dual-person approval, key rotation, white-listing and real-time monitoring/reconciliation), tools and infrastructure of crypto analytics company TRES Finance, as well as the introduction of multi-signature wallets. Management emphasises that it is facilitating a leaner organisational structure, and it is in the process of closing inefficiently used or unneeded entities, which should lead to a reduction in administrative costs. Management aims to maintain a maximum of four to five entities by the end of 2026.

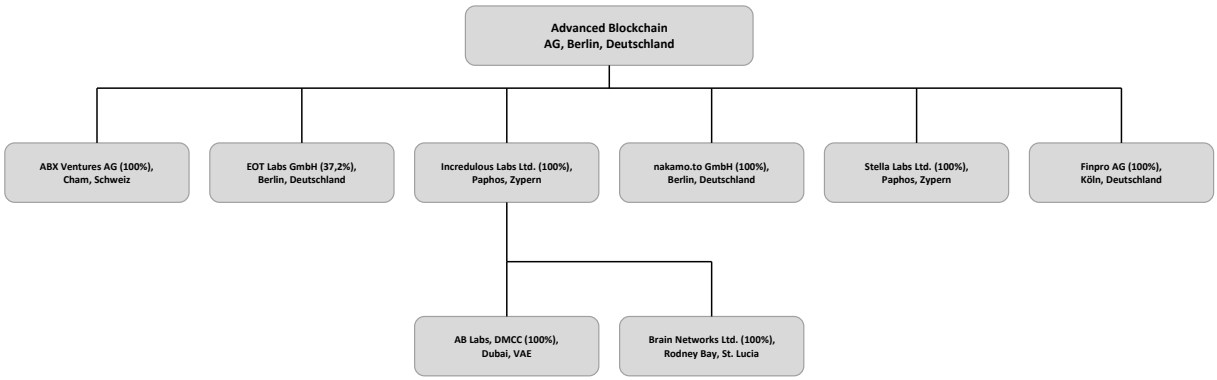
ABAG is yet to decide on the development route for FinPro, a provider of SaaS products for real-world asset (RWA) tokenisation and non-fungible token (NFT) issuance (see details on RWAs and NFTs below), which ABAG acquired in 2020–21. ABAG incurred a €300k write-down of FinPro in 2024, alongside a €109k write-down of Forest Park (which is developing an operating system for institutional lenders) and a full write-down of YEAY.

ABAG's current organisational structure (see Exhibit 3) includes its 37.2% holding in EoT Labs (formerly peaq Technology), which is the core developer and original incubator of peaq that provides software development services to the peaq Foundation (which is responsible for the strategic development of the blockchain and ecosystem).

Nakamo.to is an entity through which ABAG made some of its investments in the past before moving these activities to Incredulous Labs (IL).

While not all matters have been fully investigated under the forensic review (and further financial risks could arise from the actions of the previous management), the company will resume its strategic focus on business expansion and revenue diversification, while continuing to follow up on the legal cases from the initiated work on tackling the historical governance deficiencies.

Exhibit 4: ABAG's organisational structure



Source: ABAG. Note: Stella Labs is not conducting any business at present.

ABAG's core team and supervisory board

ABAG's expertise in deal sourcing and project selection is underpinned by its core team members and supervisory board. As of August 2025, ABAG's parent company had six employees (including the two-member management team), and is further supported by external partners, especially in terms of bookkeeping, tax and legal advice. Its core team consists of:

- **Hatem Elsayed (COO)**, an angel investor and former ambassador of Polkadot, who previously served as lead project manager at ABAG from March 2023 to July 2024 on a part-time basis. He has held several managerial positions in marketing, project management, operations and process automation, supporting C-level executives in making informed, data-driven decisions. His contract was recently extended to end-2027.
- **Maik Laske (CFO)**, who has more than 30 years of experience in investment banking, finance, treasury, investor relations and mergers and acquisitions. Some of his previous roles include co-manager of Société Générale Germany, group treasurer at fintech business Multitude, as well as head of treasury at Francotyp-Postalia.
- **Vishal Patil (technical project manager)**, a data analyst who previously worked at Sahicoin, where he developed trading strategies and managed a crypto portfolio. He holds a bachelor of technology from the National Institute of Technology Karnataka, Surathkal, India.
- **Chuanshan Huang (research lead)**, a research analyst focused on the scalability and interoperability aspects of blockchain, with two top-tier publications in these fields. Before joining ABAG, he gained experience at Microsoft and ETH Zürich. He holds a master's degree in data science from the University of Zürich, and a bachelor's degree in computer science from Chinese University of Hong Kong.

ABAG's supervisory board consists of five members:

- **Rüdiger A Günther**, who joined the board in August 2023, is an experienced corporate leader who commenced his professional journey as an investment banker at the Continental Bank of Chicago. His prior positions include CFO and CEO roles at CLAAS, a manufacturer of agricultural engineering equipment, as well as CFO positions at Frankfurt-listed Infineon Technologies, Arcandor and Jenoptik. Most recently, he served as CEO of Francotyp-Postalia from 2016 to 2021. He won *Finance Magazine*'s CFO of the Year Award in 2006.

- **Sebastian Markowsky** joined ABAG as a venture partner in May 2023 and then in August 2023 he became a member of ABAG's supervisory board in August 2024. He is a seasoned investment banker with deal experience in the fintech industry and a track record of advising top blockchain and software companies on securing global deals. He previously worked for several venture capital firms and banks, including GP Bullhound, Blockchain Valley Ventures and Deutsche Bank. He currently serves as managing director of Investec Business Advisory. He is advising ABAG on accelerating the development of new business areas as well as investor communication.
- **Mathias Roch** joined the board in 2025 and is an entrepreneur and investor with more than 30 years of leadership experience. He has built the Roch Group into a European leader for sustainable infrastructure services. Since 2013, he has been active as a business angel focused on blockchain and digital assets, particularly in Austria. He is also a founding member of the German Federal Association for Street Lighting, Masts and Infrastructure, holds several technical patents and serves on boards including Blockchain Investor (Germany).
- **Håkan Saltin**, who joined the board in August 2023, is a serial entrepreneur with a 30-year track record of building ventures including CLX Communications, which is now listed as Sinch on the NASDAQ stock exchange. Currently, he is the co-founder and CTO of Radtonics, a private 5G provider, leveraging his extensive experience in telecommunications.
- **Dr Marcel Tyrell**, who joined the board in August 2023, is a researcher in banking and finance with a strong focus on blockchain and decentralised systems. He is currently the chair of economics at Witten/Herdecke University and serves as a guest professor of entrepreneurship and finance. He is also a member of the supervisory board of Frankfurter Bankgesellschaft (Germany).

ABAG has made several successful exits, but is yet to build a long-term track record

ABAG has historically delivered notable exits and partial divestments (Polkadot, peaq, Manta Network, Maverick and Obol), which returned an average MOIC of 17x through OTC transactions over 2022–24. This figure is somewhat skewed by the c 100x return ABAG made on its $50k investment in Polkadot via token sale and staking activities. ABAG invested in Polkadot during a private offering in 2017. The price during Polkadot's initial coin offering in 2017 was c $0.29 per token, which compares to the current spot price of around $1.30 (with an all-time high in 2021 of above $50.0).

It is also worth discussing peaq, a blockchain that is purpose-built for DePIN and RWAs, for which ABAG was the idea initiator and provided fund-raising and incubation services in exchange for c 88m peaq tokens, representing 2.1% of the total token supply. Given that ABAG was the incubator, the acquisition cost of these tokens was marginal. peaq has raised c $60m since inception in 2017 across six funding rounds, and since the funding round in Q318 the project has been self-funded. peaq raised $35m before the network launch, including $15m raised in the March 2024 funding round and $20m during its initial coin offering in May 2024. In 2025, ABAG sold tokens received as staking rewards for a total consideration of over $200k. See further details on peaq below. Beyond the above-mentioned five full and partial exits, ABAG has also completed the sale of the Energy Web Token, generating c €100k in realisation proceeds and a 671% return on investment.

That said, some of ABAG's projects were affected by the 'crypto winter' in 2022. The company notes that, 'while several incubations achieved notable technological and commercial milestones, the overall financial outcomes of the incubations did not offset the heavy investment base, leaving overall incubation costs exceeding $25m across 2021 and 2022'. As discussed above, ABAG will now pursue a less opex-heavy approach to nurturing new blockchain/web3 projects.

Fostering improvements to liquidity management

ABAG aims to improve its liquidity management and facilitate more consistent activity in terms of realising its investments following the deficiencies in previous years that it has identified. It aims to increase the share of liquid assets in ABAG's portfolio to around 32% (from c 8% as of February 2025), with a minimum level of 25%, via redeploying proceeds from the sale of existing investments into a liquidity reserve, which will be held in BTC, and potentially also in ETH and other blue-chip tokens.

ABAG held $1.0m of liquid assets (both fiat and digital assets) at end-2024. It has generated $1m in proceeds from token sales between 1 January and 27 August 2025, see Exhibit 5), with a further c $0.5m anticipated from pending transactions, which were expected to close by the end of Q325. ABAG's listed tokens that were due to be unlocked or

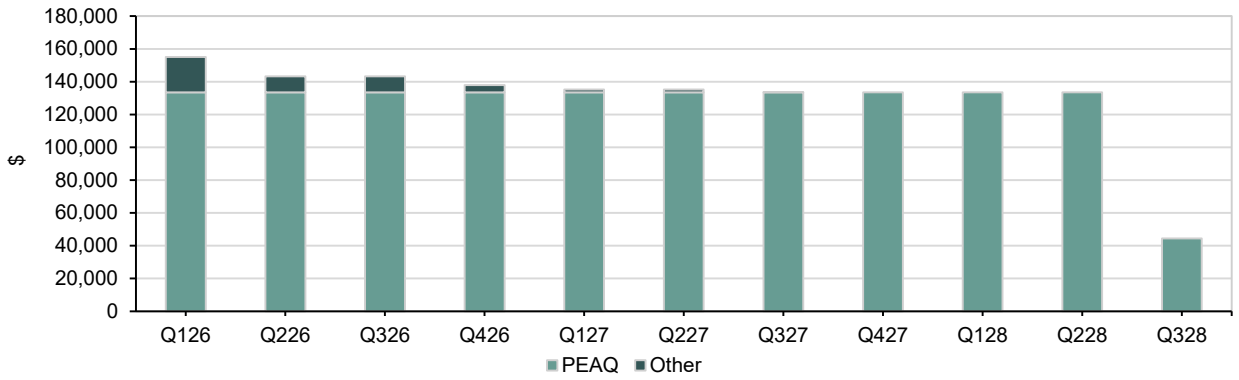
will be unlocked (and thus available for sale) between Q425 and Q328 are worth $1.6m at current spot token prices. We note that ABAG's management received its Talisman ($SEEK) tokens allocation (693.4k, c $42k at the current spot price) from the Token Generation Event (TGE) in early December 2025 and expects further TGEs during 2026.

Exhibit 5: ABAG's token realisations between 1 January and 27 August 2025

Token/protocol	Average sale price (US$)	Number of tokens	Total proceeds (US$)
TANGO (Contango)	0.02	12,870,000	296,426
PEAQ	0.10	2,577,346	267,306
AR (Arweave)	8.88	13,110	116,423
NEON	0.13	733,579	96,972
PEN (Pendulum)	0.01	6,757,260	90,765
ALLUO	0.02	2,864,192	53,428
SNX	0.65	40,846	26,380
KREST	0.01	1,887,200	18,538
$M (Mantis)	0.08	144,171	11,179
AO	16.24	786	12,763
MYT	0.05	136,854	6,670
Algo Trading	-	-	3,555
TOTAL	**-**	**-**	**1,000,405**
Pending transactions Q325*			488,700

Source: Advanced Blockchain data. Note: *Asset sale and income expected to close by end-Q325.

Exhibit 6: ABAG's tokens due to be unlocked based on current spot prices (9 February 2026)



Source: Advanced Blockchain data, Edison Investment Research

ABAG's current portfolio

ABAG's portfolio consists of more than 20 blockchain companies. Beyond the above-mentioned key areas (some of which are represented in ABAG's current portfolio), the company offers minor exposure to other themes (eg gaming and wallets). We discuss the business profiles of selected portfolio companies below. We note that ABAG is largely blockchain-agnostic, with several blockchains represented in its portfolio as the native environment for its projects, including Ethereum and its layer-2 networks (eg Contango, Panoptic, Polymer), Solana (Neon EVM, Light Protocol) and Polkadot (peaq, Talisman, Pendulum, Zcloak).

According to ABAG's management, some of the investments outside its top 15 holdings (detailed in IL's 2024 report) were made in the past on behalf of ABAG, but the company did not receive the tokens/securities, often because the investments were transferred by the previous management or external advisers to unknown wallets. All these investments were fully written off in IL's 2024 financial statements, contributing to the restatements in IL's financial results in 2021–23 (see Exhibit 7) following the commissioning of a new auditor. During the forensic review, ABAG's current management uncovered a $350k investment made by IL in Volume Finance, which offers decentralised blockchain trading bots. ABAG's management highlighted that contact with the project's founding team has been restored and discussions about monetisation of the holding are in progress. Volume Finance was not reported by ABAG among its top 15 holdings.

Exhibit 7: Restatements of IL's historical results

$000s	2021		2022		2023		2024
	Old	Restated	Old	Restated	Old	Restated	
Revenue	2,278	2,278	15,395	15,395	22,500	22,500	229
EBIT	3,177	3,109	5,771	2,639	3,860	3,240	1,287
Net income	3,168	2,877	5,747	2,531	3,486	3,240	1,246

Source: Advanced Blockchain data

Valuations of top 15 holdings more relevant than accounting values

ABAG's last reported equity per share is a poor reference point for assessing the fair value of ABAG's investment portfolio. This is because under both German accounting standards (HGB, applicable to ABAG as a parent company) and IFRS (applicable to IL, which holds most the group's token and equity investments), digital assets are treated as intangibles recorded at cost and the accounting standards do not allow for the recognition of unrealised gains (only write-offs). However, the company aims to regularly publish the valuations of its top 15 holdings (including locked and unlocked tokens), with the last reported fair value as of end-June 2025 at c $15m (c €12.7m) (see Exhibit 8).

The current portfolio value is skewed towards one holding (peaq) that made up 46% of the portfolio value at end-June 2025.

ABAG aims to increase portfolio diversification through blue-chip tokens and new early-stage investments. Meanwhile, the company initiated its first covered call position for part of its peaq tokens in August 2025 to generate income from premiums collected for writing call options (in exchange for capping the upside from token price appreciation). The price of the peaq token has declined by more than 70% since end-June.

ABAG already holds some BTC and ETH in treasury, worth c $359k at end-June 2025, built up from the proceeds from its staking activities (primarily from peaq tokens). Beyond its token investments, the company's top 15 investments include its equity stake in Silencio, a DePIN protocol hosted on peaq that provides noise pollution data (valued at $50k).

Exhibit 8: ABAG's top 15 holdings as at end-June 2025

$000s	Fair value as at end-June 2025
Top listed tokens	
Peaq/KREST	6,875
Ethereum	230
Contango	160
Bitcoin	129
Neon EVM	53
Top unlisted tokens	
Panoptic	1,520–2,280
Light	1,350–2,020
Polymer	1,340–2,010
Talisman	440–660
Permanent Ventures	280–420
Zcloak	220–340
Laconic	120–180
Top unlisted equity	
Silencio	50
Total top 15 holdings	**c 15,000**

Source: Advanced Blockchain data

In line with common practice in the crypto VC market, a significant part of ABAG's investments is held in native utility tokens of blockchain protocols which, unlike security tokens or traditional equity, usually do not have a clear entitlement to future profits of the project (for an explanation of utility and security tokens, see below). Many utility tokens across the digital asset industry are traded at prices well above the value implied by current network usage and associated fees (according to frameworks such as the quantity theory of money (QTM) or token sink and burn models). Beyond speculative demand, this may be due to several factors, such as:

- implied growth in network usage/fees expected by investors;
- staking income (even if it is akin to a scrip dividend rather than a cash dividend);
- an 'optionality' premium reflecting the upside from further development of the protocol leading to new applications; and
- recognition as a store of value, though we believe this is limited primarily to blue-chip tokens such as BTC, and to a lesser extent ETH and Solana (SOL), given their hybrid role as a utility token and yield-bearing asset.

Still, we consider utility tokens as assets that are difficult to value, and which may exhibit high price volatility (as illustrated by the price performance of the peaq token since launch in December 2024) as investor perception of the value drivers beyond current usage/fees fluctuates.

Parent company's balance sheet

We understand ABAG holds nearly all its token and equity investments through IL, which is accounted for at cost in financial assets on ABAG's balance sheet, together with ABAG's 37.2% stake in EoT Labs and its remaining 100% subsidiaries (see Exhibit 4 above). Beyond this item, ABAG's assets reported on its balance sheet include primarily:

- receivables from related parties of €10.6m at end-June 2025 (primarily from IL and nakamo.to);
- cash and deposits (€0.7m); and
- other current assets (€0.7m) (see Exhibit 9).

IL's auditor issued a disclaimer of opinion on its 2024 financial statements as no sufficient and appropriate audit evidence regarding the recoverability of receivables from related parties could be obtained through alternative audit procedures.

ABAG's €3.0m debt as of end-June 2025 includes a €2.3m outstanding 2.0% convertible bond with a conversion price of €16.65, which matures in September 2027, as well as a €0.7m convertible bond with 3.0% interest and a conversion price of €4.25, which matures in October 2029.

Exhibit 9: Balance sheet of Advanced Blockchain (parent company)

€000s	2023	2024	H125
Intangible assets	26	13	6
Tangible fixed assets	4	4	3
Financial assets, of which:	1,362	990	990
in related parties	*1,223*	*976*	*976*
in portfolio holdings	*139*	*14*	*14*
Non-current assets	**1,392**	**1,007**	**998**
Account receivables	114	4	4
Receivables from related parties	11,308	10,541	10,558
Receivables from portfolio holdings	100	0	0
Other current assets	356	689	732
Cash and bank deposits	423	671	22
Current assets	**12,301**	**11,905**	**11,316**
Deferrals and accruals	**20**	**0**	**24**
TOTAL ASSETS	**13,713**	**12,912**	**12,338**
Share capital	3,795	4,057	4,057
Treasury shares	(93)	(0)	(0)
Supplementary capital	4,451	5,197	5,197
Retained earnings	2,795	2,795	2,795
Net profit (loss)	(1,391)	(3,172)	(3,172)
Current year's net profit (loss)	-	-	(586)
Total equity	**9,557**	**8,877**	**8,291**
Tax provisions	913	0	0
Other provisions	50	305	372
Total provisions	**963**	**305**	**372**
Debt securities	2,597	3,003	3,003
Liabilities to financial institutions	0	0	0
Account payables	392	320	209
Liabilities to related parties	2	2	2
Labilities to portfolio holdings	171	348	348
Other liabilities	30	56	112
Total liabilities	**3,193**	**3,730**	**3,675**
TOTAL EQUITY AND LIABILITIES	**13,713**	**12,912**	**12,338**

Source: Advanced Blockchain data

Several outstanding matters following the forensic review

ABAG's management has carried out forensic work to correct IL's accounting and documentation. However, as there are still several open questions in this respect, it is difficult to estimate the aggregate net asset value total return generated by ABAG over the last years across all investments and thus fully evaluate its historical track record in absolute terms.

As highlighted in the independent auditor's report in IL's 2024 financial statements, from 2021, first through its parent company and later directly, IL entered into a complex set of arrangements with Project 7. These included IL's investment in Project 7, software development services provided by IL (largely funded by Project 7) and joint incubation projects with shared costs. These transactions were highly significant, as they generated the majority of IL's revenues in 2021 and 2022. Current management considers that the history of this collaboration remains unclear, owing to inadequate documentation and explanations available to date.

In 2021, IL entered into an agreement granting it rights to acquire tokens to be issued by Project 7. In late 2022, an 'exit agreement' was concluded under which IL sold most of these rights for a stipulated price and agreed to refund to Project 7 the development cost payments it had received. Following execution of this agreement, the parties continued to collaborate. After the appointment of the current management, concerns arose regarding the clarity and accuracy of calculations underlying these arrangements, in regard to both their terms and the manner and extent of execution, in particular of the exit agreement, to the effect that the current position between the parties is highly uncertain, including whether the balance is a receivable due from or a refundable amount payable to Project 7.

Moreover, in 2023, IL received tokens into a wallet controlled by the sole director at that time from a project that it had invested into in September 2021 (referred to as 'Project 2' in IL's 2024 report), despite having previously sold the rights to these tokens. IL lost control of the tokens upon the director's departure. The token listed in 2025 with an opening price

implying a c $341k value of the tokens that IL received, which may represent a claim by IL against the former director and/or a claim of the acquirer of the token rights against IL.

We also note the preliminary judgment issued on 5 December 2025 by the Regional Court of Frankfurt am Main in connection with a salary claim filed by a former member of the management board. ABAG highlighted that the judgment was issued on a preliminary basis, in a purely documentary proceeding, and does not constitute a final decision.

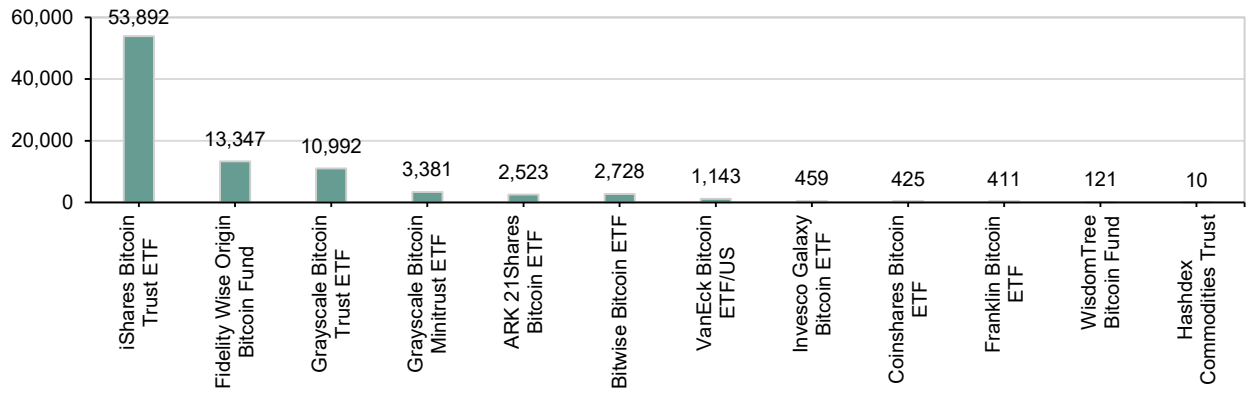
In terms of potential receivables, ABAG/IL may receive proceeds from claims against the previous management related to, among others, the above-mentioned investments over which ABAG/IL lost control and the unauthorised sale of some tokens at steep discounts. In IL's 2024 report, management stated that legal and contractual steps have been initiated to recover assets from prior directors and advisers, including claims relating to specific projects. This represents a potential additional NAV kicker for ABAG. IL also entered into mediation with a portfolio company related to an investment agreement that promised recurring revenues to the ABAG group and partial repayment to IL, which never materialised. Finally, we note the lack of clarity with respect to ABAG's/IL's potential ownership of FTX and Binance accounts.

How does ABAG fit into a broader digital assets portfolio?

ABAG aims to provide broad-based exposure across altcoins (offering the potential of price appreciation as well as income from staking, DeFi and other yield generation strategies), private digital asset projects, fee income from consultancy/software services, as well as blue-chip digital assets (BTC in particular) via its treasury reserve. Importantly, ABAG focuses on investments in projects pursuing actual real-world use cases rather than meme coins. We consider an investment into the shares of listed innovation partners and VC investors focused on digital assets, such as ABAG, as complementary to an investment in a portfolio of digital assets, in much the same way as an investment into a traditional VC portfolio complements a portfolio of listed equities. ABAG's shares could also be considered part of a diversified VC portfolio.

Before delving deeper into ABAG's portfolio, we summarise the digital asset market backdrop to provide some relevant context. Blockchain is one of the better-known distributed ledger technologies with a multitude of potential applications, some of which are facilitated by digital assets hosted on blockchains. For a detailed discussion of the basics of blockchain and digital assets, see Edison's Blockchain adoption report and our recent report on the digital assets landscape. We believe that digital assets have become an established, distinct asset class with growing acceptance among retail and institutional investors. A significant milestone for the asset class has been the approval of several spot BTC ETFs in the US in January 2024, which subsequently attracted considerable capital. This was followed by the approval of spot Ethereum ETFs.

Exhibit 10: Assets under management of US spot bitcoin ETFs ($m)



Source: Bloomberg. Note: As at 6 February 2026.

Following the last US presidential elections, the regulatory environment in the US turned decisively positive. This shift is illustrated by:

- Donald Trump's executive order Strengthening American Leadership in Digital Financial Technology, signed on 23 January 2025;
- The Guiding and Establishing National Innovation for US Stablecoins (GENIUS) Act, providing stablecoin regulation;

- The Securities and Exchange Commissions (SEC's) Project Crypto initiative; and
- Donald Trump's executive order opening the door for cryptocurrencies in 401k retirement accounts.

Beyond the US, regulatory clarity has been advancing. In the EU, the Markets in Crypto-Assets (MiCA) Regulation provides a comprehensive framework. In Hong Kong, the Securities and Futures Commission (SFC) has been issuing virtual asset trading platform (VATP) licences since 2023 and approved the first spot crypto ETFs in 2024. A new Stablecoin Ordinance was introduced in August 2025 and the SFC has issued staking guidance and enhanced custody and stability guidelines. The ASPIRe and LEAP initiatives further support Hong Kong's ambitions as a digital asset hub.

In Singapore, the Payment Services Act's scope was expanded in 2024 to cover digital payment tokens. Singapore also finalised its stablecoin framework in 2023 and the regime for Digital Token Service Providers was clarified in June 2025. We also note that the United Arab Emirates and Saudi Arabia have introduced clear virtual asset licensing regimes.

The investable universe includes digital assets hosted on blockchain networks, which offer a diverse range of use cases underpinning their value. These can be broadly divided into:

- Exchange tokens: used as a means of exchange and store of value.
- Utility tokens: provide access to on-chain products and services.
- Governance tokens: grant users protocol-level voting and treasury control rights.
- Security tokens: tradeable digital financial instruments that are either a digital version of traditional securities or native digital securities providing exposure to income streams of on-chain protocols.

Exchange tokens: BTC as 'digital gold'

The investment case of BTC (the first and most prominent cryptocurrency) is centred around its 'digital gold' status as an incorruptible, trustless, independent monetary system with a predefined currency supply based on a peer-to-peer network. While the Bitcoin network was originally designed as a peer-to-peer payment system to address the shortcomings of legacy payments systems, it has shortcomings of its own. Given the limited throughput of the Bitcoin network (up to approximately seven transactions per second) and limited functionalities in terms of programmable features, its main value proposition is that it represents a distinct, scarce asset that can be easily transferred without any boundaries, even if it is not well-suited for day-to-day payments at the base layer. This makes it an appealing store of value with a $1.3tn market cap at present, of which c $89bn (or c 7%) is held by major US spot ETFs (Exhibit 10). The greater the average percentage allocation of global investment portfolios to a scarce digital asset such as BTC, the higher its price.

Other major digital assets, such as ETH (the native token of the Ethereum network) and Solana (SOL), compete with BTC for the store of value status. The competition is illustrated by the launch of Ethereum spot ETFs in the US in 2024 and the recent launch of the first SOL spot ETFs. The investment case for ETH, SOL and other native tokens of proof-of-stake blockchains is supported by the passive income they offer to investors via staking, meaning locking up of the digital assets as collateral to secure the network. The Bitcoin network does not support this natively as it is based on a proof-of-work rather than proof-of-stake consensus algorithm.

Current staking yields on the Ethereum and Solana networks stand at around 2.75% and c 6.0–6.5% respectively. The yield from stake assets can be further amplified by the use of liquid staking protocols (eg Lido) where holders of staked digital assets (which are locked up so are by default illiquid) receive a liquid token that can be used to generate additional DeFi income on top of the staking yield, as well as re-staking protocols (eg Eigenlayer) that allow the re-use of already staked tokens as collateral to secure decentralised applications and receive rewards in exchange. ABAG is generating rewards from staking its peaq tokens and also plans to stake assets held in treasury (such as ETH).

Digital asset treasury: The pros and cons

Recent years (and most notably 2025) have been marked by the growing popularity of digital asset treasury strategies involving the build-up of corporate reserves in BTC and major altcoins. For some businesses (eg Tesla) a digital asset treasury strategy is meant to diversify its corporate liquidity and hedge it against inflation. Others have turned it into a strategic pillar, regularly buying BTC or other digital assets, often funded via the issue of straight equity, convertible debt, preferred shares or a private investment in a public equity (PIPE). The most well-known example in this respect is

Strategy (previously MicroStrategy), which amassed a sizeable stockpile of close to 714k BTC as of 1 February 2026 for a total cost of $54bn (or c $76k per BTC).

There may be certain advantages of investing in a digital asset treasury company compared to holding the underlying asset directly or through an ETP. Some institutional investors cannot invest directly in the underlying asset due to mandate, custody and tax constraints, but can use a listed (often geared) proxy. Even for many retail investors, listed equities provide an easier access to the underlying assets, unconstrained by regional and product restrictions, and some of them may act as underlying assets for derivatives or can be subject to margin trades. Exposure to digital asset treasury companies via fixed income (convertible) or hybrid (preferred securities) may appeal to institutions seeking downside protection. An investment in a treasury company may also offer certain tax advantages over holding the underlying asset directly in some jurisdictions. In addition, some companies deploy active treasury management, offering potential alpha from borrowing/lending and the use of derivative strategies (eg covered calls), as well as the use of digital assets for income generation from, for example, staking, yield strategies across DeFi and operating validator nodes on the blockchain network. Listed digital asset ETPs/ETFs usually have more limited options to generate income from their digital asset holdings.

However, there are also some potential disadvantages of gaining exposure to the asset via a treasury company. Even if the company holds digital assets via a separate, fully owned subsidiary, it does not provide the same bankruptcy-remote special purpose vehicle structure as physical ETPs. Shareholders do not have a direct claim over the company's digital asset holdings, although we note that, as long as the digital assets are properly custodied, an administrator would have all the normal powers set out in the insolvency legislation to maximise the value of these assets for creditors in line with the insolvency waterfall. Investors in treasury companies take on company-specific risks around dilution, stock overhang (eg when PIPE investments are admitted to trading), debt, governance, capital allocation and accounting practices. Furthermore, digital asset treasury companies may trade at premiums or discounts to their net asset value (much like OTC-traded digital asset funds), resulting in a tracking error and potentially higher volatility compared to the underlying asset. That said, if they successfully combine exposure to the underlying assets with income-generating activities based on their treasury holdings, they might trade on average at a premium to NAV (reflecting the incremental expected cash flow from these activities). Some treasury companies may allocate part or all the yield generated on their holdings to corporate purposes rather than accrue it fully within their treasury strategy. ETPs can provide a simpler and more transparent setup for distributing these rewards. Finally, major listed digital asset ETPs/ETFs are characterised by low expense ratios – for instance, the iShares Bitcoin Trust ETFs charges only a 0.25% management fee – which may be difficult to compete with for some treasury companies.

The smart contract revolution

The appeal of blockchains (such as Ethereum, Solana, Tron and Avalanche) is underpinned by their revolutionary ability to host so-called smart contracts. These are agreements with terms that are directly embedded within the code and that are automatically executed on the blockchain without the need to involve intermediaries. To run these smart contracts, users need to pay a fee in the respective blockchain's native token (eg ETH in the case of Ethereum). Therefore, the value proposition of these utility tokens goes beyond a simple means of exchange or store of value. The greater the usage of the smart contracts hosted on a blockchain, the greater demand for these utility tokens and, potentially, the higher their price (especially if tokens used to pay fees on the network are 'burned', meaning removed from circulation). Therefore, one can think of them as 'digital oil'. However, valuation of these utility tokens is less straightforward than this relationship suggests, as it may also depend on other factors, such as token circulation velocity, as well as the popularity of so-called Layer 2 networks that sit 'on top of' the base blockchain network.

Smart contracts have a plethora of potential use cases across, among others:

- DeFi,
- NFTs as digital representations of unique items (in-game items, fine art, digital identity),
- decentralised autonomous organisations (DAOs) allowing for decentralised governance,
- oracles (ie data feeds acting as bridges between blockchains and the physical world),
- prediction markets and betting, with Polymarket recently attracting a $2bn investment from NYSE-owner International Exchange,

- supply chain and provenance tracking,
- the Metaverse,
- privacy and compliance layers, and
- DePINs (see below).

DeFi: An open alternative to traditional finance

DeFi applications form part of a global, open alternative to the existing financial system, granting all users free access to financial products (such as borrowing, lending, saving, trading, insurance and payments) without the need for traditional intermediaries and in a 24/7 set-up. While DeFi is still a relatively nascent sector and yet to reach mass adoption, it has already attracted significant capital with a total value locked (TVL) in all DeFi applications across all public blockchains of close to $100bn as of 9 February 2026, according to DefiLlama, compared to c $1bn five years ago.

So far, most of the demand for DeFi has come from 'crypto-native' activity, which is investments and trading in cryptocurrencies and NFTs and the associated fiat on- and off-ramps and leverage. This has provided traction for major DeFi projects like decentralised lending protocols (eg Aave, Compound), which let users supply and borrow digital assets, and decentralised exchanges (eg Uniswap, Sushi Swap) on which investors can either trade for a fee or earn income from acting as liquidity providers. It has also provided traction for stablecoins, both centralised (eg Circle Internet's USDC and Tether's USDT) and decentralised (eg Sky), which are cryptocurrencies whose value is pegged to a traditional (fiat) currency (primarily the US dollar) and that can be used as a means of payment, deposited or lent out, or provided as collateral in the DeFi ecosystem.

ABAG's portfolio offers exposure to the DeFi theme via several early-stage projects, such as:

- The decentralised, instant-settlement, perpetual options trading platform **Panoptic.** It allows users to trade put and call options 24/7 directly on-chain, without the need for intermediaries such as brokerage firms or banks. Its first version was launched on Ethereum in December 2024 but was then subject to a 'whitehat hack' led by the Panoptic team in late August 2025 to rescue user funds from an exposed protocol vulnerability. The team is planning to launch the second version of the platform in Q126 and expects all funds previously deployed by users in the first version to return to the protocol.
- **Contango**, which operates across multiple chains, and allows automated looping (ie a trading strategy involving repeated borrowing against digital assets already borrowed to increase leverage and maximise potential returns). The current open interest on its platform stands at c $326m, and protocol fees reached $720k in the first nine months of 2025 (after including preliminary figures for Q325).
- **Pendulum**, which aims to bridge the DeFi and fiat ecosystems through fiat-optimised smart contracts and in turn enable on-chain FX swaps, yield opportunities for fiat token holders and currency trading based on automated market makers (AMMs, a concept used by major decentralised exchanges). Pendulum can execute smart contracts that can be connected to other networks (eg Stellar).

In addition, ABAG aims to generate income from its digital asset treasury using DeFi protocols, such as lending platforms, liquidity pools and other protocols (which may involve re-staking and liquid staking).

Asset tokenisation: Reshaping financial markets

More recently, asset tokenisation, an important emerging use case for blockchains hosting smart contracts, has started gaining traction. Asset tokenisation is the creation of digital representations of RWAs, which can then be hosted and freely moved on the blockchain.

Tokenisation has the potential to fundamentally reshape global financial markets. It allows investors to easily access securities anywhere in the world on a 24/7 basis (though this may be subject to KYC/AML and other whitelisting rules) and facilitates secondary liquidity for asset classes that are normally illiquid or less liquid, such as private equity and real estate. It supports asset fractionalisation, reduces administrative burdens and lowers barriers to entry. It facilitates better composability, enabling the efficient re-use of collateral. It also promises significant cost savings in clearing, settlement, custody and asset servicing thanks to real-time (instant or near-instant) settlement, smart contract automation and reduction of intermediaries.

It allows for the introduction of more flexible and customer-centric custody models, providing end users with greater control over their assets. Finally, it offers the prospects of lowering risk surcharges and improving refinancing conditions due to better transparency and risk reduction in the settlement process. McKinsey forecast in its June 2024 publication that total tokenised market capitalisation could reach $2tn by 2030 (excluding stablecoins and other cryptocurrencies), or $4tn in a bullish scenario.

Total RWA (excluding stablecoins) hosted on-chain reached $23.9bn as of 9 February 2026 versus c $6.0bn a year ago, according to RWA.xyz. Good examples are security tokens, such as tokenised money-market funds like the BlackRock USD Institutional Digital Liquidity Fund, which currently has a market capitalisation of approximately $1.8bn, and the Franklin OnChain US Government Money Fund with a market capitalisation of close to $900m. Another group of tokenised assets are digital assets backed by physical gold (eg Tether Gold, Pax Gold). Centrifuge (c $1.4bn TVL) allows institutions to borrow against tokenised real-world assets, while Goldfinch acts as a bridge between DeFi and traditional asset managers to offer on-chain private credit funds run by institutions such as Apollo, Ares and KKR.

Stablecoins: The bridge to mainstream adoption

Centralised stablecoins can also be considered part of the asset tokenisation trend as many of them (including USDT and USDC, the two largest by issued value) are mostly backed by a combination of traditional financial products, such as US Treasuries, money market funds, bank deposits, loans/corporate bonds and cash, among others.

We have recently witnessed a considerable expansion of monthly stablecoin transaction volumes globally to $1.14tn in January 2026, versus approximately $0.7tn in January 2025 and just $0.01tn in January 2020, according to Visa Onchain Analytics. This was accompanied by a similarly strong increase in average stablecoin supply to $271bn in January 2026 versus $192bn in January 2025 and c $4bn in January 2020.

Interestingly, the value of stablecoins had already reached the equivalent of 1.02% of total US money supply by Q225, according to Circle Internet Group citing data from the Federal Reserve's Board of Governors. The solid traction of stablecoins in the US has been supported by regulatory clarity brought by the above-mentioned GENIUS Act.

We also note the significant interest in stablecoins from paytechs (eg PayPal, Stripe, Mercado Libre), card networks and financial institutions, which are also exploring tokenised deposits. Swift recently launched a blockchain platform in response to the strong traction of stablecoins. Citi forecasts the global stablecoin market size (issuance volumes) to reach $1.9tn in its base case and $4.0tn in its bull case by 2030.

DePINs: Decentralising and democratising access to real-world infrastructure

DePINs are an emerging group of projects that leverage blockchain and token incentives to crowdsource the deployment and maintenance of real-world infrastructure, and in turn drive DePINs' mission of 'democratising' physical resources. They can provide either physical resources (such as wireless connectivity, data from IoT sensors or geolocation data) or digital resources (such as data storage, computing power or data). Messari classifies DePIN projects into six groups depending on the use-case: compute (store and manipulate data), wireless (move data between locations), sensors (capture data), identity (capture identity and reputation), energy (generate and store electricity) and logistics (move physical assets between locations). The total number of DePIN projects reached 1,170 by 2024, according to Messari, and the space attracted total investment of $703m in 2024, according to Advanced Blockchain citing Messari. Importantly, there were more than 13m daily active nodes (ie devices) across all DePIN projects globally (with 20 DePINs having more than 100k active nodes each), according to Messari data as of December 2024. For instance, Helium, which provides a decentralised wireless network, currently has around 124.5k hotspots (almost exclusively across the US). Messari therefore believes that there is good supply-side momentum in the sector, and the main challenge for major DePIN projects will be driving the demand side (revenue) and then profitability. Helium currently has around 2.5m active daily users transferring close to 103TB of data per day. Given the low-single-digit share in the total number of projects and investments across the digital asset sector, DePIN can be considered a nascent, niche part of the digital asset ecosystem, but with high disruptive potential.

ABAG's portfolio provides exposure to the DePIN theme through the key asset in its investment portfolio, the native tokens of the peaq network. These, together with the native tokens of Krest (the test-and-simulation network of the peaq ecosystem), made up c 46% of ABAG's end-June 2025 portfolio value. Peaq (founded by ABAG's ex-employees) operates as a Polkadot parachain, but it is also fully compatible with the Ethereum Virtual Machine (EVM) and has an ERC-20 representation on Ethereum, which allows users to move assets between peaq and Ethereum or other EVM-compatible chains. Its mainnet was launched, and its native token floated, in November 2024, activating more than 50 DePINs hosted on the network as of December 2024, with over 2m devices participating in these projects. In Q225, the

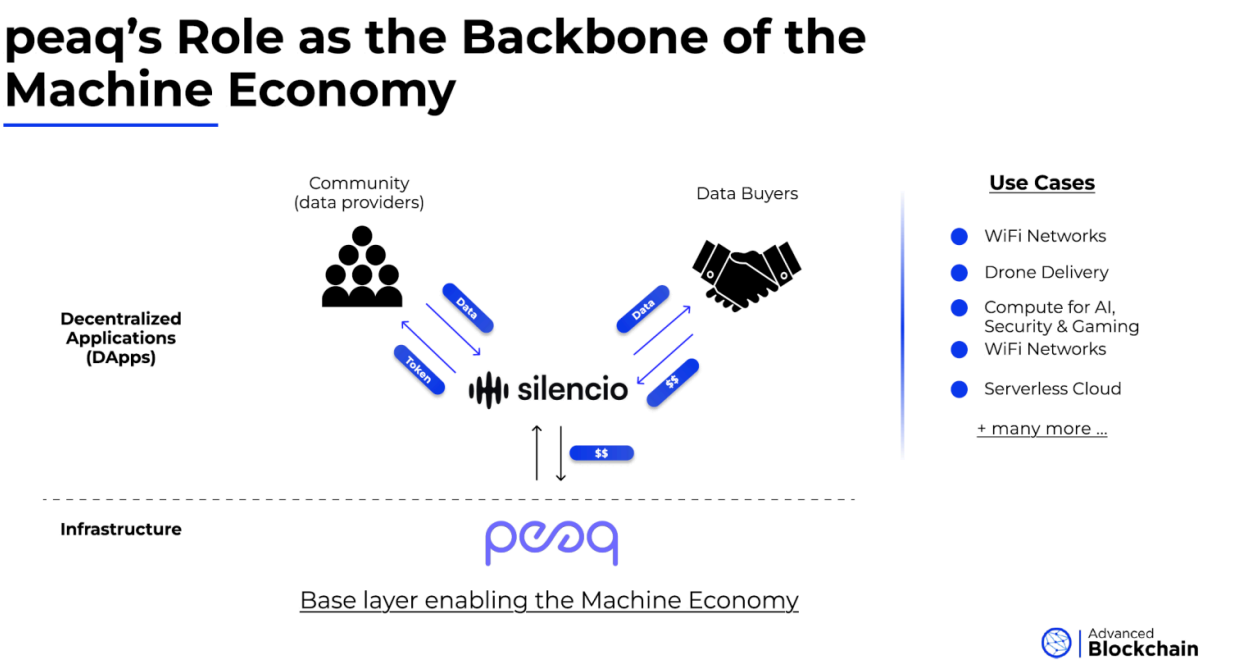
network crossed 5m on-chain addresses and more than 14m transactions processed since launch.

The network has attracted several high-profile enterprises as partners, which are participating in the network in multiple ways, including:

- running validator nodes and participating in the protocol's governance (eg Deutsche Telekom, Lufthansa) – ABAG also runs its own validator node;
- exploring decentralised digital identity infrastructure for mobility in Europe via the moveID consortium, which includes, among others, peaq, Bosch, Continental and Airbus; and
- facilitating the path to integration with traditional finance – Mastercard selected peaq for its Start Path programme, thereby providing it with access to its network of partners, mentors and resources.

Within the automobile use case, we note peaq's integration with Bosch's modular sensor kit, which allows the on-chain recording and monetisation of telematics data such as mileage and environmental readings. In this context, we note that peaq became a member of the German Association of the Automobile Industry in April 2021.

Exhibit 11: Peaq's operating model



Source: Advanced Blockchain

The first fully on-chain DePIN protocol operating on the peaq network is Silencio, which provides noise pollution data purchased by aggregators, hotels and governments, sourced from over 400,000 connected smartphones across 180 countries at end-2024 (generating 100,000 noise measurements per day). According to ABAG, the project already generates revenues covering a large part of the cost runway, with clients for the project's data being attracted at the moment following the announcement of Silencio's new vision that integrates voice AI. ABAG participated in Silencio's $2.5m seed funding round in December 2024, which was led by Blockchange Ventures, alongside other investors: Borderless, Master Ventures, Blockchain Founders Fund and prosper. Another DePIN project hosted on the peaq network, in which ABAG invested $50k directly for a 0.25% token stake in November 2024, is Teneo, a protocol where node operators validate and aggregate real-world or social data for AI and web3 use cases.

Infrastructure and interoperability

The complex, multi-blockchain setup of the industry creates opportunities for developers of new infrastructure solutions, including projects aimed at enhancing interoperability (ie smooth interactions across different blockchains). ABAG offers exposure to several infrastructure and interoperability projects, with major portfolio holdings including:

- **Polymer** (one of ABAG's top 15 holdings as at end-June 2025), which is designed to facilitate interoperability between different protocols used to enhance the scalability of the Ethereum blockchain. In November 2024, the company introduced Polymer Hub, which facilitates the communication between Ethereum Rollups, acting akin to a 'TCP/IP protocol for modular blockchains'. Polymer Labs closed a $23m Series A funding round in early 2024.

- **Neon EVM**, which allows Ethereum-based smart contracts to run on the Solana blockchain.

In this context, it is worth noting that **Polkadot**, which ABAG previously invested in (see above), is a layer-1 blockchain seeking to tackle the interoperability problem by creating a shared blockchain with multiple 'parachains' operating in a single network.

Privacy is another area with development potential, which is represented in ABAG's portfolio via **Light Protocol** and **Zcloak**, both powered by so-called zero-knowledge proofs.

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