

tokentus investment AG

Germany | Technology | MCap EUR 21.9m

26 January 2022

UPDATE



Investment in BCB Group marks move into growth / later stage

What's it all about?

Yesterday, tokentus announced a USD 0.5m investment in the equity of BCB Group in a Series A funding round of USD 60m. BCB Group is Europe's leading provider of business accounts and trading services for the digital asset economy, regulated in the UK and Switzerland. The funding was characterized by prestigious co-investors. It solidifies tokentus' strategy to move into growth and later stage financing following the capital increase of ca. EUR 10m in November. tokentus also sees scope for synergies between existing portfolio companies and BCB, demonstrating the growing strategic value of the portfolio. We update our NAV calculation, taking into account the recent drop in crypto prices which have also affected the Qredo token. This leads to an updated **price target of EUR 5.34 (old: EUR 6.24)**. **Yesterday's transaction demonstrates that there continue to be attractive investment opportunities for tokentus' dry powder: BUY.**

BUY (BUY)

Target price	EUR 5.34 (6.24)
Current price	EUR 2.60
Up/downside	105.4%



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BUY <small>(BUY)</small>	Target price Current price Up/downside	EUR 5.34 (6.24) EUR 2.60 105.4%	MAIN AUTHOR Dr. Oliver Wojahn, CFA o.wojahn@alsterresearch.com +49 40 309 293-58
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Investment in BCB Group marks move into growth / later stage

Investment in BCB Group. Yesterday, tokentus announced a USD 0.5m investment in the equity of BCB Group in a Series A funding round of USD 60m. BCB Group is Europe's leading provider of business accounts and trading services for the digital asset economy, regulated in the UK and Switzerland. The company operates in dozens of fiat and cryptocurrencies for business clients like Bitstamp, Kraken, Gemini, Galaxy, BitPay and Circle. According to BCB, the new funds will be used to accelerate the group's offerings of payments and banking services. The firm acquired fintech-focused Sutor Bank in December, gaining control of a German bank to drive the group's expansion in the European Union.

High class co-investors. The Series A funding round was led by Foundation Capital, a venture capital firm based in Palo Alto that has raised a total of USD 3.9bn across 11 funds, the latest announced this month with a volume of USD 500m. Notable co-investors next to tokentus are Digital Currency Group (USD 1.3bn raised in total, owner of the Coindesk news site), Nexo (a leading regulated financial institution for digital assets) and Circle (a global FinTech in crypto currencies). Many of the previous investors from the first three funding rounds also participated in the Series A, among them crypto exchange Blockchain.com.

Strategic Fit. The transaction follows through on tokentus' strategy to move into growth and later stage financing after the capital increase of ca. EUR 10m in November. tokentus also sees scope for synergies between existing portfolio companies and BCB, demonstrating the growing strategic value of the portfolio.

Adjusting PT after crypto meltdown: The recent sharp correction of crypto prices has not spared Qredo, the token in tokentus' portfolio. As the price has dropped well below its 30-day average, we switch to the latest price (USD 2.37) instead of using the 30-day average with a 20% discount (which would yield USD 4.22) as basis for NAV calculation. The upgraded **price target is EUR 5.34 (old: EUR 6.24)**, translating in **more than 100% upside**. Yesterday's transaction demonstrates that there continue to be attractive investment opportunities for tokentus' dry powder: **BUY**.



Source: finanzen.net

High/low 52 weeks 3.00 / 2.20
Price/Book Ratio 4.7x

Ticker / Symbols
ISIN DE000A3CN9R8
WKN A3CN9R
Bloomberg 14D: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) 8.43
Book value per share: (in EUR) 0.55
Ø trading volume: (12 months) 400

Major shareholders
Jörg Erler 8.0%
PP Ventures GmbH 6.4%
Free Float 85.6%

Company description
tokentus is a highly focused investment company, investing into private blockchain companies and related tokens.

tokentus investment AG	2018	2019	2020	2021E	2022E	2023E
Sales	0.0	0.0	0.0	0.0	0.0	0.0
<i>Growth yoy</i>	<i>Na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>
EBITDA	0.0	-0.2	-0.5	-1.0	-1.6	-1.7
EBIT	0.0	-0.2	-0.5	-1.0	-1.6	-1.7
Net profit	0.0	-0.2	-0.5	-0.6	-1.0	-1.1
Net debt (net cash)	0.0	-2.2	-1.4	-11.2	-10.2	-9.1
EPS recurring	0.0	-0.05	-0.12	-0.08	-0.12	-0.13
DPS	0.0	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Gross profit margin	na	na	na	na	na	na
EBIT margin	na	na	na	na	na	na
ROCE	na	-8.8%	-20.0%	-8.2%	-14.3%	-15.1%
EV/EBITDA	na	-100.6x	-43.9x	-10.7x	-7.3x	-7.6x
EV/EBIT	na	-100.6x	-43.5x	-10.7x	-7.3x	-7.6x
PER	na	-53.0x	-21.9x	-33.7x	-21.1x	-20.1x
FCF yield	na	-1.9%	-4.6%	-3.9%	-4.7%	-5.0%

Source: Company data, AlsterResearch

Valuation

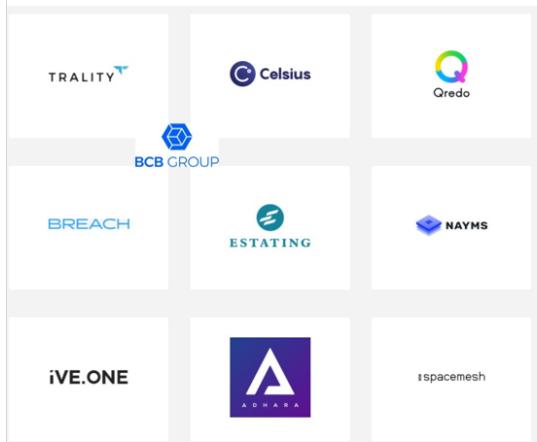
Valuation tokentus

Company Value		Investment		
Company	(EUR m)	Valuation base	Equity stake	value (EUR k)
Trality	2,9	latest post-money valuation	4,07%	118
Adhara	na	AlsterResearch estimate	na	125
Qredo	21,4	latest post-money valuation	1,73%	371
Breach	na	Investment via SAFE	na	85
BCB Group	na	latest post-money valuation	na	500
Nayms	7,6	latest post-money valuation	3,46%	264
IVE.ONE	na	convertible loan agreement	na	250
Estating	12,5	latest post-money valuation	1,20%	150
Celsius	2654,9	latest post-money valuation	0,24%	6.372
spacemesh	na	AlsterResearch estimate	na	125
			equity total	8.359
Number tokens				
Token	(m)	Valuation base		
Qredo	12,7	coinmarketcap (USD)	2,37	
		Exchange rate	1,13	
		Price per token (EUR)	2,10	
		Discount for lockup	0%	
		Adj. price per token (EUR)	2,10	26.678
			token total	26.678
			+ equity total	8.359
			portfolio value	35.038
		- 8 years discounted steady state costs	1.145	
			+ current cash	11.111
			NAV	45.003
			number shares (k)	8.431
			NAV per share (EUR)	5,34

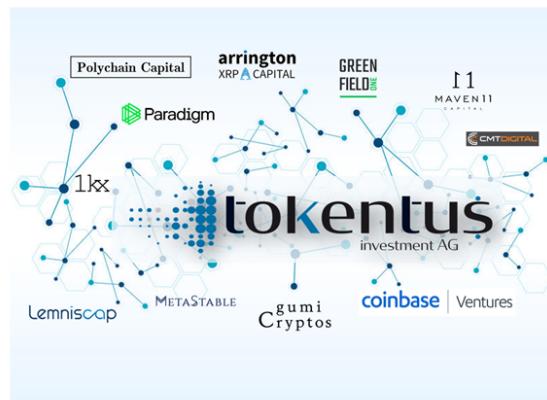
Source: AlsterResearch

Investment case in six charts

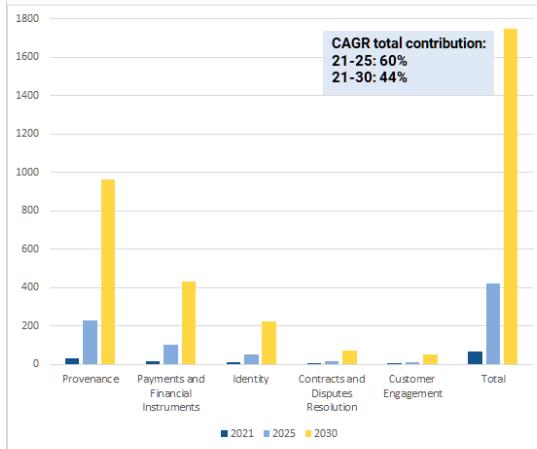
Portfolio Companies



Network of Prestigious Co-investors

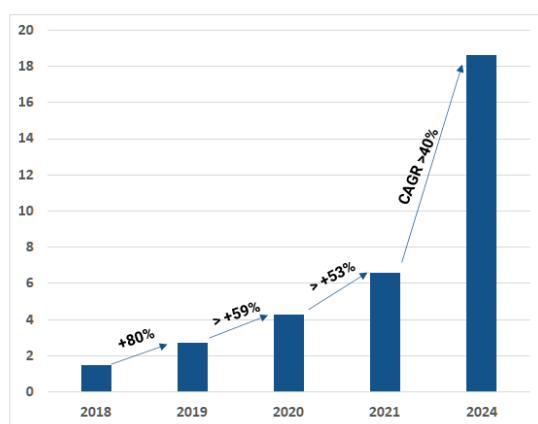


Blockchain's Economic Contributions (USD bn)



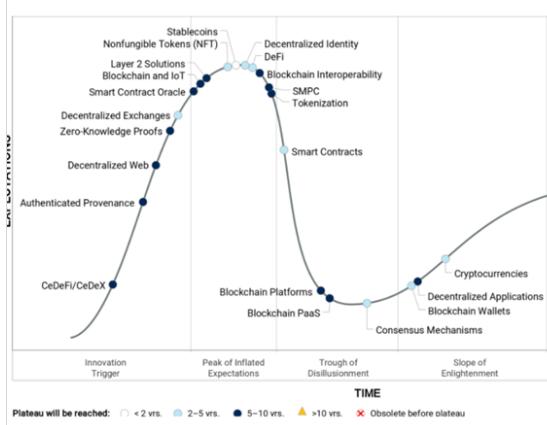
Source: PwC, Time for Trust, October 2020

Global Spending on Blockchain Solutions (USD bn)



Source: IDC

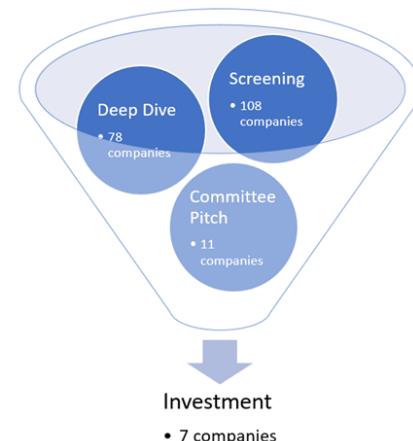
The Gartner Blockchain Hype Cycle



Source: Gartner (July 2021)

Source : Company data, AlsterResearch

Investment Funnel



Financials

Profit and loss (EUR m)	2018	2019	2020	2021E	2022E	2023E
Net sales	0.0	0.0	0.0	0.0	0.0	0.0
Sales growth	na	na	na	na	na	na
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	0.0	0.0	0.0	0.0
Personnel expenses	0.0	0.1	0.3	0.5	0.8	0.8
Other operating expenses	0.0	0.1	0.2	0.5	0.8	0.9
EBITDA	0.0	-0.2	-0.5	-1.0	-1.6	-1.7
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	0.0	-0.2	-0.5	-1.0	-1.6	-1.7
Amortization of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.0	-0.2	-0.5	-1.0	-1.6	-1.7
Financial result	0.0	0.0	0.0	0.0	0.0	0.0
Recurring pretax income from continuing operations	0.0	-0.2	-0.5	-1.0	-1.6	-1.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.0	-0.2	-0.5	-1.0	-1.6	-1.7
Taxes	0.0	0.0	0.0	-0.3	-0.6	-0.6
Net income from continuing operations	0.0	-0.2	-0.5	-0.6	-1.0	-1.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.0	-0.2	-0.5	-0.6	-1.0	-1.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	0.0	-0.2	-0.5	-0.6	-1.0	-1.1
Average number of shares	3.98	3.98	3.98	8.43	8.43	8.43
EPS reported	0.00	-0.05	-0.12	-0.08	-0.12	-0.13

Profit and loss (common size)	2018	2019	2020	2021E	2022E	2023E
Net sales	na	na	100%	100%	100%	100%
Change in finished goods and work-in-process	na	na	0%	0%	0%	0%
Total sales	na	na	100%	100%	100%	100%
Material expenses	na	na	0%	0%	0%	0%
Gross profit	na	na	100%	100%	100%	100%
Other operating income	na	na	0%	0%	0%	0%
Personnel expenses	na	na	1,074%	212,766%	319,149%	335,106%
Other operating expenses	na	na	1,016%	212,766%	361,702%	379,787%
EBITDA	na	na	-1,990%	-425,432%	-680,751%	-714,794%
Depreciation	na	na	20%	0%	0%	0%
EBITA	na	na	-2,011%	-425,432%	-680,751%	-714,794%
Amortization of goodwill and intangible assets	na	na	0%	0%	0%	0%
EBIT	na	na	-2,011%	-425,432%	-680,751%	-714,794%
Financial result	na	na	2%	0%	0%	0%
Recurring pretax income from continuing operations	na	na	-2,009%	-425,432%	-680,751%	-714,794%
Extraordinary income/loss	na	na	0%	0%	0%	0%
Earnings before taxes	na	na	-2,009%	-425,432%	-680,751%	-714,794%
Taxes	na	na	0%	-148,901%	-238,263%	-250,178%
Net income from continuing operations	na	na	-2,009%	-276,531%	-442,488%	-464,616%
Result from discontinued operations (net of tax)	na	na	0%	0%	0%	0%
Net income	na	na	-2,009%	-276,531%	-442,488%	-464,616%
Minority interest	na	na	0%	0%	0%	0%
Net profit (reported)	na	na	-2,009%	-276,531%	-442,488%	-464,616%

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2018	2019	2020	2021E	2022E	2023E
Intangible assets (excl. Goodwill)	0.0	0.0	0.0	0.0	0.0	0.0
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	0.0	0.0	1.0	1.0	1.0	1.0
FIXED ASSETS	0.0	0.0	1.0	1.0	1.0	1.0
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	0.0	2.2	1.4	11.2	10.2	10.1
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	0.0	2.2	1.4	11.2	10.2	10.1
TOTAL ASSETS	0.0	2.2	2.4	12.3	11.2	11.1
SHAREHOLDERS EQUITY	0.0	2.1	2.2	12.3	11.2	10.1
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	0.2	0.0	0.0	0.0
Non-current liabilities	0.0	0.2	0.2	0.0	0.0	0.0
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	1.0
Accounts payable	0.0	0.0	0.0	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	0.0	0.0	0.0	1.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	0.0	2.2	2.4	12.3	11.2	11.1

Balance sheet (common size)	2018	2019	2020	2021E	2022E	2023E
Intangible assets (excl. Goodwill)	na	0%	1%	0%	0%	0%
Goodwill	na	0%	0%	0%	0%	0%
Property, plant and equipment	na	0%	0%	0%	0%	0%
Financial assets	na	0%	42%	8%	9%	9%
FIXED ASSETS	na	0%	42%	8%	9%	9%
Inventories	na	0%	0%	0%	0%	0%
Accounts receivable	na	0%	0%	0%	0%	0%
Other current assets	na	0%	0%	0%	0%	0%
Liquid assets	na	100%	58%	92%	91%	91%
Deferred taxes	na	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	na	0%	0%	0%	0%	0%
CURRENT ASSETS	na	100%	58%	92%	91%	91%
TOTAL ASSETS	na	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	na	92%	91%	100%	100%	91%
MINORITY INTEREST	na	0%	0%	0%	0%	0%
Long-term debt	na	0%	0%	0%	0%	0%
Provisions for pensions and similar obligations	na	0%	0%	0%	0%	0%
Other provisions	na	7%	7%	0%	0%	0%
Non-current liabilities	na	7%	7%	0%	0%	0%
short-term liabilities to banks	na	0%	0%	0%	0%	9%
Accounts payable	na	1%	1%	0%	0%	0%
Advance payments received on orders	na	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	na	0%	1%	0%	0%	0%
Deferred taxes	na	0%	0%	0%	0%	0%
Deferred income	na	0%	0%	0%	0%	0%
Current liabilities	na	1%	1%	0%	0%	9%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	na	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	0.0	-0.2	-0.5	-0.6	-1.0	-1.1
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	-0.2	0.0	0.0
Cash flow from operations before changes in w/c	0.0	-0.2	-0.5	-0.8	-1.0	-1.1
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	0.0	0.0	0.0
Increase/decrease in accounts payable	0.0	0.0	0.0	-0.0	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	-0.0	0.0	0.0
Cash flow from operating activities	0.0	-0.2	-0.5	-0.9	-1.0	-1.1
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	-1.0	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	-1.0	0.0	0.0	0.0
Cash flow before financing	0.0	-0.2	-1.5	-0.9	-1.0	-1.1
Increase/decrease in debt position	0.0	0.0	0.0	0.0	0.0	1.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	2.2	0.6	10.7	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	2.2	0.6	10.7	0.0	1.0
Increase/decrease in liquid assets	0.0	2.0	-0.9	9.9	-1.0	-0.1
Liquid assets at end of period	0.0	2.2	1.4	11.2	10.2	10.1

Source: Company data; AlsterResearch

Regional sales split (EURm)	2018	2019	2020	2021E	2022E	2023E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	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

Regional sales split (common size)	2018	2019	2020	2021E	2022E	2023E
Domestic	na	na	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	na	na	0.0%	0.0%	0.0%	0.0%
The Americas	na	na	0.0%	0.0%	0.0%	0.0%
Asia	na	na	0.0%	0.0%	0.0%	0.0%
Rest of World	na	na	0.0%	0.0%	0.0%	0.0%
Total sales	na	na	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2018	2019	2020	2021E	2022E	2023E
Per share data						
Earnings per share reported						
Earnings per share reported	0.00	-0.05	-0.12	-0.08	-0.12	-0.13
Cash flow per share	0.00	-0.05	-0.12	-0.10	-0.12	-0.13
Book value per share	0.00	0.52	0.55	1.45	1.33	1.20
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	na	-53.0x	-21.9x	-33.7x	-21.1x	-20.1x
P/CF	na	-53.0x	-21.7x	-25.6x	-21.1x	-20.1x
P/BV	na	5.0x	4.7x	1.8x	2.0x	2.2x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	0.0%	-1.9%	-4.6%	-3.9%	-4.7%	-5.0%
EV/Sales	na	na	na	na	na	na
EV/EBITDA	na	na	na	na	na	na
EV/EBIT	na	na	na	na	na	na
Income statement (EURm)						
Sales	0.0	0.0	0.0	0.0	0.0	0.0
yoY chg in %	na	na	na	na	na	na
Gross profit	0.0	0.0	0.0	0.0	0.0	0.0
Gross margin in %	na	na	na	na	na	na
EBITDA	0.0	-0.2	-0.5	-1.0	-1.6	-1.7
EBITDA margin in %	na	na	na	na	na	na
EBIT	0.0	-0.2	-0.5	-1.0	-1.6	-1.7
EBIT margin in %	na	na	na	na	na	na
Net profit	0.0	-0.2	-0.5	-0.6	-1.0	-1.1
Cash flow statement (EURm)						
CF from operations	0.0	-0.2	-0.5	-0.9	-1.0	-1.1
Capex	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance Capex	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	0.0	-0.2	-0.5	-0.9	-1.0	-1.1
Balance sheet (EURm)						
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Tangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	0.0	2.1	2.2	12.3	11.2	10.1
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	0.0	0.2	0.2	0.0	0.0	1.0
Net financial debt	0.0	-2.2	-1.4	-11.2	-10.2	-9.1
w/c requirements	0.0	-0.0	-0.0	0.0	0.0	0.0
Ratios						
ROE	na	-9.5%	-21.5%	-5.3%	-9.3%	-10.8%
ROCE	na	-8.8%	-20.0%	-8.2%	-14.3%	-15.1%
Net gearing	Na	-108.6%	-63.1%	-91.7%	-91.0%	-90.0%
Net debt / EBITDA	na	11.5x	3.0x	11.2x	6.4x	5.4x

Source: Company data; AlsterResearch

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