

Smarter Web Company plc (swc)

BUY

MARKET DATA

Bloomberg	Ticker	SWC PZ
Share price	p/shr	49.00
Target price	p/shr	64.00
TP upside	%	31
Shares out	Million	187.6
Mkt cap	£m	103.2

DESCRIPTION

Smarter Web Company plc offers web design, web development and online marketing services. The company has adopted a Digital Asset Treasury Policy into its strategy.

£6.8M RAISE TO ACCELERATE BITCOIN STRATEGY

Smarter Web Company (SWC PZ) has continued to cement its position as the UK's flagship Bitcoin Treasury company, with a further raise of £6.8 million at last night's close of 49 pence per share, with the proceeds used to accelerate the accumulation of Bitcoin in its corporate treasury. Before the announcement, the company had approximately £7.6 million in treasury, consisting of 35.62 BTC and £4.6 million in cash. With the proceeds of this morning's raise, the company will have approximately £11.2 million of cash to deploy into additional Bitcoin in the weeks ahead. As a consequence we now expect the company to reach **over 170 BTC within a matter of weeks**.

With the shares trading at a solid premium to NAV, the raise is **highly accretive to shareholders** in terms of Bitcoin yield. Assuming all its excess cash is deployed into BTC at current prices, the transaction **takes the stock's mNAV from 11.3 to 6.5x** - very similar to the effect of the previous equity raise at 27p which took the multiple from 10.5x to 6.2x, only to see the multiple rise rapidly again immediately as the market revalued the stock to reflect the accretive nature of the transaction. Put another way, whilst the company's treasury of £7.6 million was valued at £85.1 million at yesterday's close, the transaction values the enlarged treasury of £14.1 million at £91.9 million. With the total share count rising just 8%, **this represents an increase in BTC/share (when deployed) of 73%, or potential sats per share from 52 to 90**.

Higher mNAV multiples in the early months of a Bitcoin accumulation strategy are driven by markets pricing in a company's capacity to raise significant amounts of equity within a short period (thereby quickly reducing the mNAV multiple to a much lower level). **SWC has generated a BTC yield of 9.6% per day in the last 20 days** and has a **Days to mNAV cover of just 37 days at the current price** (significantly below the larger listed companies in the space). "Days to mNAV Cover" is the time it takes for a Bitcoin Treasury Company to reduce its mNAV to one if it continues to increase its Bitcoin Yield (satoshis per share) at the current rate of growth.

Why do we think that SWC can continue to replicate that Bitcoin Yield in future? Not by extrapolating the success of its first two months (since mathematically each subsequent raise needs to be bigger and better), but by viewing **the competitive position of the company in the capital markets as the critical criterion for success**. 1) **First mover advantage in the UK capital markets** creates the size and awareness that makes SWC the first port of call for Bitcoin-hungry capital; 2) **High levels of trust in the leadership team** have been secured already, which is critical in creating expectations that the strategy will be delivered to plan; 3) Political hostility to BTC in the UK, combined with cultural conservatism in the UK business establishment makes it **very difficult for FTSE350 CFOs to make a pivot to Bitcoin**, leaving the field open for startups; and 4) **International support** means that SWC is already on the radar of overseas capital.

Looking at the competition in the UK capital markets gives us real grounds for encouragement. The emergence of copycat strategies at minor crypto plays, like Coinsilium or Vinanz, simply underscores SWC's strengths. These companies have no global following, no operating cash flow, balance sheets contaminated by various illiquid private equity investments (in the case of COIN), high capex requirements (in the case of Vinanz), and are both rightly seen as "crypto funds" rather than orthodox Bitcoin Treasury companies. We do

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not see either company producing the necessary launch velocity to reach the size required to attract global capital.

SWC has already demonstrated significant traction amongst UK retail investors, and it is this following which will allow the company to grow rapidly using the tried and tested Bitcoin Treasury strategy made famous by **Michael Saylor** and **Strategy Inc.** (MSTR US). Backed by its key original investor **UTXO**, part of BTC Inc., and allied to the largest Bitcoin-focused media outfit, *Bitcoin Magazine*, SWC management is well positioned to use this successful start as a springboard to accelerate its Bitcoin accumulation, as it seeks to tap different pools of capital, whether in different product segments or geographies. SWC is fast developing a reputation with investors across the globe as the 'UK flagship' of the Bitcoin Treasury sector, with a leadership team that benefits from global expertise and sector relationships unmatched by any UK rival, existing or potential. As early next week, **Andrew Webley, SWC CEO**, will be **showcased at the 2025 Bitcoin Conference in Las Vegas, an event attended by over 30,000 Bitcoiners from across the world.**

There is a wave of international capital supporting corporates moving onto a Bitcoin Standard. There are over 90 public companies deploying the model, including **Metaplanet (3350 JP)** in Japan, **Blockchain Group (ALTG FP)** in France, and **Twenty One (CEP US)**, **Strive Asset Management (ASST US)** and **Nakamoto (KDLY US)** in the United States. Each of these is demonstrating clearly that a well-executed Bitcoin treasury strategy can deliver exceptional shareholder returns on the back of solid mNAV premia which in turn create a significant competitive edge in the capital markets, one which traditional corporates, however successful in fiat terms, are failing to offer their shareholders.

SWC Increasing Bitcoin Yield

SWC has announced a further acquisition of BTC this morning, taking its holdings from 35.62 to 58.71. This move increases its actual sats per share from 21 to 31 and increases its daily Bitcoin yield since IPO to 10.5%. In the same way, it reduces its days to cover from 37 to just 29. Below we show an analysis of the company's Bitcoin accumulation in the 30 days since IPO.

DATE	SHARE PRICE	TSO	MKT CAP	BTC				Actual mNAV	Adjusted mNAV	YIELD CALCULATIONS			DAYS TO MNAV COVER
				PRICE	UNITS	SPS	VALUE			YIELD TO DATE	DAYS	DAILY YIELD	
	2.50	146.9	3.7	70,634	2.30	2	0.16	22.6	2.7	0%	1		
25/04/2025	5.00	146.9	7.3	70,488	2.30	2	0.16	45.3	3.2	0%	2		
26/04/2025	5.00	146.9	7.3	71,148	2.30	2	0.16	44.9	3.2	0%	3		
27/04/2025	5.00	146.9	7.3	71,093	2.30	2	0.16	44.9	3.2	0%	4		
28/04/2025	4.00	146.9	5.9	70,545	2.30	2	0.16	36.2	2.8	0%	5		
29/04/2025	4.00	146.9	5.9	70,695	5.74	4	0.41	14.5	2.5	150%	6	16.5%	17.5
30/04/2025	4.00	146.9	5.9	70,305	5.74	4	0.40	14.6	2.8	150%	7	14.0%	20.5
01/05/2025	5.00	146.9	7.3	70,720	5.74	4	0.41	18.1	3.5	150%	8	12.1%	25.3
02/05/2025	5.00	146.9	7.3	72,632	5.74	4	0.42	17.6	3.5	150%	9	10.7%	28.2
03/05/2025	5.00	146.9	7.3	73,012	5.74	4	0.42	17.5	3.5	150%	10	9.6%	31.3
04/05/2025	5.00	146.9	7.3	72,234	5.74	4	0.41	17.7	3.5	150%	11	8.7%	34.6
05/05/2025	5.00	146.9	7.3	71,065	5.74	4	0.41	18.0	3.5	150%	12	7.9%	37.9
06/05/2025	16.00	146.9	23.5	71,290	5.74	4	0.41	57.4	11.2	150%	13	7.3%	57.6
07/05/2025	16.00	146.9	23.5	72,494	10.59	7	0.77	30.6	11.2	360%	14	11.5%	31.4
08/05/2025	25.00	160.9	40.2	73,009	10.59	7	0.77	52.0	10.0	320%	15	10.0%	41.3
09/05/2025	22.00	160.9	35.4	77,980	10.59	7	0.83	42.9	8.7	320%	16	9.4%	41.9
10/05/2025	22.00	160.9	35.4	77,397	10.59	7	0.82	43.2	8.7	320%	17	8.8%	44.6
11/05/2025	22.00	160.9	35.4	78,695	10.59	7	0.83	42.5	8.7	320%	18	8.3%	47.0
12/05/2025	29.00	160.9	46.7	78,367	10.59	7	0.83	56.2	11.5	320%	19	7.9%	53.3
13/05/2025	46.00	160.9	74.0	78,017	10.59	7	0.83	89.6	18.2	320%	20	7.4%	62.6
14/05/2025	27.00	160.9	43.4	78,302	19.20	12	1.50	28.9	10.6	662%	21	10.2%	34.8
15/05/2025	35.00	173.7	60.8	78,058	19.20	11	1.50	40.6	8.2	606%	22	9.3%	41.7
16/05/2025	31.00	173.7	53.8	77,984	19.20	11	1.50	36.0	7.3	606%	23	8.9%	42.2
17/05/2025	31.00	173.7	53.8	77,911	19.20	11	1.50	36.0	7.3	606%	24	8.5%	44.0
18/05/2025	31.00	173.7	53.8	77,686	19.20	11	1.49	36.1	7.3	606%	25	8.1%	45.9
19/05/2025	29.00	173.7	50.4	80,001	19.20	11	1.54	32.8	6.8	606%	26	7.8%	46.4
20/05/2025	32.00	173.7	55.6	79,052	35.62	21	2.82	19.7	7.5	1210%	27	10.0%	31.3
21/05/2025	41.00	173.7	71.2	79,711	35.62	21	2.84	25.1	9.5	1210%	28	9.6%	35.1
22/05/2025	49.00	173.7	85.1	81,723	35.62	21	2.91	29.2	11.3	1210%	29	9.3%	38.1
23/05/2025	49.00	187.6	91.9	82,180	58.71	31	4.82	19.1	6.5	1899%	30	10.5%	29.5

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Bitcoin Treasury Basics – A Reminder

Bitcoin is a unique digital asset that has demonstrated its value proposition over the sixteen years of its existence, by delivering investment returns vastly superior to other mainstream financial assets. Its unique characteristics - capped supply, infinite divisibility, immutability, censorship-resistant decentralisation, and proof-of-work consensus mechanism - have supported the rapid growth in Bitcoin adoption and associated increase in dollar value. The recognition of Bitcoin as an unrivalled store of value is what led earlier this year to the US Federal Government to initiate a policy of developing a Strategic Bitcoin Reserve. That move alone de-risked the asset for corporates and will encourage rival governments to make a similar move.

For investors looking for Bitcoin exposure, SWC is not an ETF, but a corporation, which can use its legal status to issue securities in all relevant capital market segments in order to accumulate more Bitcoin. Because there is a strong demand amongst a variety of investor classes for the unique volatility of the underlying asset (BTC), it can issue securities (CB, debt, equity) at prices favourable for the issuer. This means it can increase its BTC per share over time, which means that an investor is likely to pay for some of that return in advance through a premium to NAV. There is also a self-fulfilling element to this, in that the reputation for increasing BTC yield leads to the premium which enables the company to increase the BTC yield. The success of SWC in capturing the premium and creating the flywheel which enables it to grow rapidly is due to its ability to mobilise the retail Bitcoin army in the UK behind the company, supported by a sustained rally in the Bitcoin price.

Bitcoin Treasury Sector Comparable Trading Statistics

Ticker	Name	BITCOIN HOLDINGS		MKT CAP	mNAV	Policy	Share Price Performance			
		BTC	USD M	USD M	(x)	Announcement	+1D	+7D	+3M	TO DATE
MSTR	MICROSTRATEGY	576,230	63,830.9	110,097	1.84	01/08/2020	n/a	10.8%	39.1%	3,156.4%
3350	METAPLANET	7,800	864.0	4,537	5.34	08/04/2024	88.8%	42.0%	319.6%	7,473.4%
SMLR	SEMLER SCIENTIFIC	3,808	421.8	501	1.19	28/05/2024	24.4%	28.1%	23.5%	92.5%
KULR	KULR TECHNOLOGY	800	88.6	355	4.03	04/12/2024	5.1%	76.3%	(2.5%)	0.8%
ALTBG	THE BLOCKCHAIN GROUP	620	68.7	297	4.39	05/11/2024	22.1%	73.2%	245.1%	1,642.2%
RUM	RUMBLE INC	211	23.4	396	17.03	25/11/2024	12.6%	9.6%	51.0%	41.0%
CASH3	MELIUZ SA	320	35.5	117	3.31	06/03/2025	16.4%	8.2%	n/a	130.3%
1723	HK ASIA (MOON)	29	3.2	181	56.96	13/02/2025	67.6%	288.2%	141.8%	108.8%
TZUP	THUMZUP MEDIA	10	1.1	84	77.57	15/11/2024	15.3%	23.1%	(6.9%)	175.1%
JKE	JETKING INFOTRAIN	15	1.6	9	5.84	09/12/2024	20.0%	111.3%	48.5%	113.0%
SWC	SMARTER WEB CO	58	6.5	138	19.05	25/04/2025	80.0%	90.0%	n/a	1,060.0%

Valuation and Recommendation

The global Bitcoin Treasury sector continues to attract significant premia to Bitcoin NAV, as reflected in the table above. Especially the younger, smaller companies, who trade at the largest premia. With SWC having proven its appeal to retail investors and the efficacy of its model in delivering an mNAV premium, we are revising our target price to reflect its new enlarged balance sheet. We believe the stock now warrants an mNAV premium of 8.5x (assuming its cash resources are fully deployed into Bitcoin at the current spot price). As such, we are setting our new **3-month target price at 64 pence per share**, or 42% above the current level, equivalent to a market cap of £120.1 million. **We maintain our BUY recommendation**

DISCLAIMER

RECOMMENDATIONS HISTORY

Market index : FTSE All-Share

Date	Market Index level	Share Price (p)	Target Price (p)	Opinion
25/04/2025	4546.43	2.50	4.00	BUY
08/05/2025	4645.23	16.00	25.50	BUY

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