

Notes to Consolidated Financial Statements as of 30th June 2023

Note

1 Statement of Compliance

The financial statements of Samara Asset Group plc have been prepared in accordance with the requirements of IFRS as issued by the IASB and as adopted by the EU. Assets and liabilities are measured at historical cost except for the financial assets where these were measured at fair value through other comprehensive income (FVTOCI) and those at fair value through profit or loss (FVTPL).

The Consolidated Financial Statements have also been prepared in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta).

2 Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all the financial periods presented, unless otherwise stated.

Equity Instruments. The company elects, on an investment-by-investment, to recognize an equity investment that is not held for trading. Other equity instruments are classified as measured at FVTPL.

Total gains or losses recognized in OCI are kept within OCI on disposal of an investment.

Equity instruments are classified either as 'held-for-trading' or 'available-for-sale' assets since the latter would be intended to be held for an indefinite period.

3 Revenue

Gain on Redemption	3,062,426.00
Interest Earned	493,060.45

4 Finance Costs

Interest on loans & bank borrowings & charges	477,665
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5 Gross Income

Gross income is arrived at after deducting the cost of the sold equity investments that were held for sale.

6 Compensation Benefits of Employees and Directors

Included under 'Admin Expenses'
are the following:

Salaries paid for the period	167,779.02
Director's remuneration	30,000.00
Director's fees	6,000.00

7 Earnings per Share

Earnings per share at the reporting date is a positive € 0.04 calculated on Operating Net Profit for the period (Pre-tax profits for the first 6 months)

8 Taxation

No tax is chargeable up till the time of reporting on the Holding Company in view of the ' participation exemption holding' tax rule

9 Other Assets

Other Assets of €1,226,268 comprise of Bitcoins held by company, refer to note 22.

10 Plant and Equipment

Computer-Equipment

Cost as at 1 Jan 23	7,957
Additions	2,538
Accum. Depreciation & Amort	(1,690)

11 Deferred Taxation

The deferred tax of €1,190,076 may be fully recognized by 31st December 2023. This amount relates to unutilized tax losses which will be balanced-off in future periods.

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Investment in Subsidiaries

This represents capital contributions made to Samara Alpha Management, a company wholly owned by Samara Asset Group plc.

Samara Alpha Management makes innovative opportunities available to institutional investors. Their team harnesses decades of financial expertise and deep networks to curate distinct portfolios of risk-controlled strategies.

They invest in emerging crypto asset managers with robust alpha-generating strategies. By applying extensive risk management and operational expertise to their due diligence process, sophisticated investors can access cutting-edge opportunities without adding excessive risk to their portfolios. They believe rigorous due diligence, combined with transparency and education, results in successful partnerships.

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Available-for Sale Investments

Equity measured at FVOCI

Amount as at 1st Jan 23	171,099,270
Net Additions and disposals	(107,014,956)
Fair value movement	<u>19,608,544</u>
	<u>€83,692,858</u>

Convertible Loans are measured at their original cost as per Note 15

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Trade & Other Receivables

The total value comprises:

Intercompany balances	€ 138,996
Short-term loans	€ 231,355
Accrued income and prepayments	€ 1,140,786
Convertible Loans	€ 1,600,000

Equity**a) Share Capital**

Issued, allotted and 100% paid-up as of 1 January 2023	57,217,500 shares
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Issued, allotted and 100% paid-up as of 30th June 2023	57,217,500 shares
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Nominal value of shares	€0.05 each
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Total share capital as of 30th June 2023	<u>€ 2,860,875</u>
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b) Total Treasury Stock held as of 30th June 2023

3,953,307 shares

c) Capital reserves

represent the excess paid by shareholders over the nominal value of the shares at €0.05 each.

d) Retained Earnings.

Being accumulated earnings of operating profits after tax, if applicable, and after adjusting for 'other comprehensive income'

e) Revaluation Reserves

Represent the amount paid for over the nominal value to buy back treasury stock

16 Current & Non-current Liabilities**Current Liabilities - Trade and Other Payables**

Accruals	156,771
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Trade creditors	73,830
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Non - Current Liabilities

Long Term Loan	5,134,488
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17 Deferred Payment

There were no deferred payments due as at the reporting date

18 Bank Overdraft and Loans

The company holds one overdraft facility which is repayable by end of 2023 and may be extended beyond. The facility is pledged by quoted securities held by the Company.

At the reporting date the company's only overdraft amount was that of 589 EUR.

19 Retained Earnings

As per Note 16© above, these represent the accumulated operating profits after taxation and after adjusting for Other Comprehensive Income. The profit is attributable to equity holders.

20 Sale of Block One Shares

In 2023, the Company sold all 100% of Block One shares. The sale was executed on 20th June 2023 and sold for a total of USD 118,868,400. Payment was received in 3 tranches in June 2023:

USD	Exchange rate	EUR Equivalent
39,622,800	1.079326	36,710,686.89
39,622,800	1.093501	36,234,809.11
39,622,800	1.079478	36,705,518.78
<u>118,868,400</u>		<u>109,651,014.78</u>

21 Significant Investments

The Company started investing in Bitcoin. During the month of June 2023 the Company had bought 44 BTC for a total of EUR 1,226,268.

The Company will continue making further investments directly in Bitcoin during this financial year.

The Company made a significant investment of USD 8 million in Presight Partners Feeder Fund ONE on June 12th, 2023.

A significant investment of USD 10 million was also made in one of the company's subsidiary's, Samara Alpha Management during June 2023.

22 Fair Value of Financial Instruments

Our financials are based on IFRS 13 for fair value measurements. Our valuation of 'fair value' is the price that a financial asset can be sold at in an orderly transaction in a market on that date under market conditions, irrespective as to whether the price is observable on an Exchange or using valuation approach. IFRS 13 does not preclude SAG from using its own collected data where it always obtains financial information directly from the investee to compare the NAV against market value of the market-participant.

23 Subsequent Events

The Company passed a resolution during an Extraordinary General Meeting held on 19th June 2023 where it proposed and approved a dividend distribution of **EUR 1.30** per share which represent the full accumulated profits as at 31st December 2021. The dividend was distributed on 5th July 2023.