



Research report (Anno)



**Samara Asset Group is actively ramping up its investments
in the fund-of-fund approach**

-

**Samara Alpha Management launches flagship fund,
promising attractive risk-adjusted returns**

**Target price: € 4.14
(previously: € 7.12)**

Rating: BUY

Note in accordance with MiFID II regulation for research "Minor Non-Monetary Contribution": The present research meets the requirements for classification as "Minor Non-Monetary Contribution". For further information, please refer to the disclosure under "I. Research under MiFID II".

IMPORTANT NOTICE:

Please note the disclaimer/risk notice
as well as the disclosure of possible conflicts of interest in accordance with §34b WpHG from page 15

Date and time of completion of the study: 25.07.2023 (2:15 pm)

Date and time of the first distribution: 26.07.2023 (10:00 am)

Validity of the target price: until max. 31.12.2024

Samara Asset Group plc*5a;5b;6a;7;11

Rating: Buy

Target price: € 4.14
(previously: € 7.12)

current price: € 2.18
Xetra 25.07.23 10:02am

Currency: EUR

Stock data:

ISIN: MT0001770107
WKN: A2JDEW
Ticker Symbol: CAP:GR
Number of shares³: 57,22
Market cap³: 154.49
³ in million / in EUR million

Free float: 50.44%

Market segment:
Over-the-counter

Accounting:
IFRS

Fiscal year: 31.12.

Analysts:

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* Catalog of possible conflicts
of interest on page 15

Company profile

Industry: Investment companies

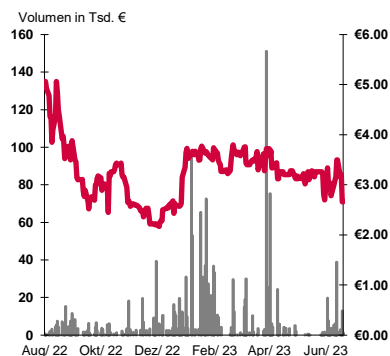
Focus: Fund-of-Fund Investments and Asset Management

Employees: 3 as of 31.12.2022

Foundation: 2018

Headquarters: Sliema (Malta)

Management Board: Patrick Lowry (CEO), Jefim Gewiet (COO)



Samara Asset Group (ISIN: MT0001770107; Ticker: SRAG:GR) operates as a leading deep-tech powered alternative asset manager, placing a strong emphasis on alpha-generating strategies and Bitcoin. With a focus on leveraging its robust balance sheet, the company actively seeds and invests in funds managed by emerging asset managers, primarily through its renowned Samara Alpha platform. Additionally, Samara Asset Group provides crucial support to the most talented builders within the Bitcoin ecosystem.

The company was co-founded by Apeiron Investment Group, the family office of Christian Angermayer, along with renowned crypto figure Mike Novogratz. Under the leadership of CEO Patrick Lowry, Samara Asset Group is driven by a belief in the future of finance centered around decentralization and democratization, with Bitcoin serving as a powerful enabler.

P&L in EUR million \ FY-end	31.12.2020	31.12.2021	31.12.2022
Sales	2.55	13.20	0.09
EBIT	10.62	0.15	-6.53
Net income	10.26	-0.29	-6.47

Key figures in EUR			
Earnings per share	0.18	-0.01	-0.11
Dividend per share	0.00	0.00	0.00

Key figures			
Equity in € million	308.60	387.23	172.74

Financial Calendar

30.09.2023: HY 2023 Financial Statements

**last research from GBC:

Date: Publication / Target price in EUR / Rating

14.12.2022: RS / 7.12 / BUY

28.07.2022: RS / 18.35 / BUY

06.07.2021: RS / 17.92 (pre 20:1-split: 358.43) / BUY

** Research studies listed above can be viewed at www.gbc-ag.de or requested from GBC AG, Halderstr. 27, D86150 Augsburg, Germany.

EXECUTIVE SUMMARY

- In June 2023, Samara Asset Group (formerly: Cryptology Asset Group) sold its entire stake in Block.one, a crypto company, for \$118.9 million, resulting in a profit of about \$52 million. Following this, they distributed dividends of €1.30 per share, a total payout of around €74 million. Despite Block.one selling a significant portion of its Bitcoin holdings, leading to a slight discount on the liquid asset value, Samara's new strategy sees the allocation of \$50 million for fund-to-fund investments over the next year and a half. This aligns with their objective to become a reliable institutional-grade investor. Samara, leveraging the successful launch of Samara Alpha platform, aims for an annual expected return of 25% to 35% with its market-neutral fund-of-fund strategy. The strategy will exploit inefficiencies in traditional capital markets, especially in the crypto landscape, to generate alpha and high returns, while reducing exposure to underlying assets and volatility. Retail investors' limited access to such opportunities has led Samara to hold onto its investments, except for small illiquid ones.
- Samara Alpha operates as an independent subsidiary of Samara Asset Group, managing its funds independently with external members and limited partners. Shareholders also participate in Samara Alpha's potential success. While the subsidiary's valuation is currently based on cost basis, strategic investors are being sought to increase its value. A potential share capital increase could involve strategic investors who would invest alongside Samara Asset Group.
- Samara Asset Group has invested \$10 million in the flagship market-neutral multi-strategy fund launched by its subsidiary, Samara Alpha Management. This US-based asset management subsidiary specializes in leveraging market inefficiencies in the budding digital asset space, with a goal to yield appealing risk-adjusted returns. Led by Chief Investment Officer Adil Abdulali, the firm operates with a diversified digital asset managers portfolio.
- **We have estimated the total valuation of investments for Samara Asset Group to be €227.15 million. Factoring in an increased net debt and holding costs of €-17.28 million (an increase from the previous €-15.22 million), we have estimated a comprehensive Net Asset Value (NAV) for the company, which now stands at €209.87 million. This translates to €4.14 per share. With the current share price standing at €2.18 (Xetra on 25th July 2023 at 10:02am), there is considerable upside potential. Consequently, we maintain a 'Buy' rating.**

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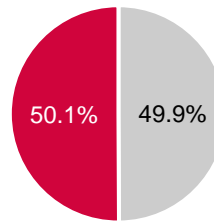
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COMPANY

Shareholder structure

Shareholders in %	31.12.2022
Apeiron Investment Group Limited	49.9%
Free float	50.1%

Sources: Samara Asset Group plc, GBC AG



- Apeiron Investment Group Limited
- Free float

Company description

Samara Asset Group, formerly known as Cryptology Asset Group, operates as a leading alternative asset manager driven by deep-tech expertise. With a strong focus on alpha-generating strategies and a specific emphasis on Bitcoin, the company utilizes its robust balance sheet to provide support to emerging asset managers and prominent innovators in the Bitcoin and blockchain sectors.

The company's primary platform, Samara Alpha Management, comprises a Fund-of-Funds and Multi-Manager structure. Through this platform, Samara Asset Group strives to deliver exceptional risk-adjusted returns to its valued shareholders. By offering access to a diverse range of investment opportunities, the company enables shareholders to participate in ventures that may have been otherwise inaccessible on an individual basis.

Samara Asset Group recognizes the barriers faced by many investors who are restricted from investing in hedge funds or venture capital due to accredited investor regulations or limited access and networks. By overcoming these challenges, the company provides solutions for its shareholders. Consequently, shareholders can benefit from the exceptional performance of institutional-grade investment strategies offered by the Samara Alpha platform, as well as the company's ventures in the Bitcoin-focused space.

MARKET AND MARKET ENVIRONMENT

Bitcoin (BTC)

Bitcoin was introduced in 2009 by an anonymous person or group known as Satoshi Nakamoto. It was the first decentralized cryptocurrency, operating on a peer-to-peer network called blockchain. In 2010, Bitcoin gained attention when Laszlo Hanyecz made the first known real-world transaction by purchasing two pizzas for 10,000 BTC.

Bitcoin experienced its first major price rally in 2013, reaching a peak of over \$260 per BTC, followed by a significant correction. The most remarkable period for Bitcoin came in 2017-2018 when it witnessed an unprecedented bull run, soaring to an all-time high of nearly \$20,000 in December 2017. This rally was driven by increased mainstream interest, media coverage, and the emergence of cryptocurrency exchanges.

However, the following year brought a bear market, and Bitcoin's price declined significantly. It reached a low point around \$3,200 in December 2018. In 2020, Bitcoin attracted institutional investors, with companies like MicroStrategy and Square publicly announcing substantial BTC investments. This institutional interest, coupled with the narrative of Bitcoin as a store of value and hedge against inflation, contributed to a new bull run.

In 2021, Bitcoin reached new all-time highs, surpassing \$60,000 per BTC in March. However, it also experienced increased volatility, with notable price corrections.

BTC / USD



Source: Yahoo Finance

At the end of Q2 2023, Bitcoin (BTC) has successfully maintained its position above the 30k level, indicating strong support and a growing positive sentiment in the market. The recent BTC ETF application by BlackRock has generated considerable interest and sparked a surge in optimism. This trend has been further amplified by the participation of prominent asset managers, including Fidelity with \$4.5 trillion in assets under management.

However, Bitcoin currently finds itself influenced by two opposing forces. On one hand, it has experienced a notable decrease in correlation with traditional risk assets and gold, demonstrating its growing independence. On the other hand, BTC remains susceptible to the impact of rate hike expectations, as the Federal Reserve's cautious approach towards hikes continues to be a significant factor affecting its performance.

Recent developments, such as better-than-expected jobless claims and hints of a hawkish stance from Powell at the ECB forum, have revived expectations of future rate hikes. The volatility surrounding Personal Consumption Expenditures (PCE) data has further strengthened this narrative, setting the stage for upcoming events like the release of the Federal Open Market Committee (FOMC) minutes, employment data, job openings, and notably, the Non-Farm Payrolls (NFP) data from the U.S. These events are expected to have a significant impact on the short-term movement of BTC.

Ethereum (ETH)

Ethereum, launched in 2015 by Vitalik Buterin, introduced a blockchain platform that enabled the development of smart contracts and decentralized applications (DApps). The Ethereum network's native cryptocurrency, Ether (ETH), served as the fuel for executing transactions and running applications.

In 2017, Ethereum gained significant attention as Initial Coin Offerings (ICOs) exploded in popularity. Many projects raised funds by issuing tokens on the Ethereum platform. The price of ETH followed the overall market trend, experiencing a sharp increase during the crypto market bull run in late 2017 and early 2018, reaching a peak of over \$1,400 per ETH.

Similar to Bitcoin, Ethereum faced a bear market from 2018 to 2019, and its price declined substantially. It reached a low point around \$80 in December 2018. However, in 2020, Ethereum saw increased adoption in the decentralized finance (DeFi) space. Various financial applications, such as lending and decentralized exchanges, flourished on the Ethereum network. The surge in DeFi activities and the growth of stablecoins significantly increased network usage and demand for ETH.

ETH / USD



Source: Yahoo Finance

In 2021, Ethereum's price soared to new all-time highs, surpassing \$4,000 in May. This rally was fueled by factors such as the widespread use of Ethereum for non-fungible tokens (NFTs), upgrades to improve scalability, and anticipation of the Ethereum 2.0 transition.

In April of this year, Ethereum underwent a significant update known as Shanghai (EIP-4895). This update allowed Ethereum stackers to withdraw their rewards and staked coins, resulting in some unexpected outcomes. Contrary to many expectations, the staking ratio of Ethereum has continued to rise even after the withdrawals. It appears that people are

now more willing to stake their ETH because they have the flexibility to quickly withdraw their coins if needed.

The performance of liquid staking protocols has been impressive, with both the price and total value locked (TVL) experiencing growth during the initial weeks of Q2. Among various categories, the group of LSD protocols now holds the top position in terms of TVL.

The on-chain dynamics also paint an interesting picture. Following the Merge in September, Ethereum is no longer a constantly inflationary coin. Instead, its supply now depends on the activity occurring on the network. In May 2021, the network witnessed a surge in activity driven by the memecoin frenzy, resulting in the largest decline in Ethereum supply in history.

The recent surge in network activity has tested the deflationary nature of Ethereum during periods of high activity. This further underscores the long-term advantages of transitioning to Proof of Stake (PoS) consensus for Ethereum.

CORPORATE DEVELOPMENT

in € million	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Sales	2.65	15.00	2.55	13.20	0.09
EBIT	-2.23	2.50	10.62	0.15	-6.53
Net income (loss)	-1.57	1.47	10.26	-0.29	-6.47

Sources: Samara Asset Group plc; GBC AG

In FY 2022, the company experienced insignificant sales, generating only €0.09 million in revenue. It is important to note that the P&L statement was restated due to the exclusion of block.one related transactions, which had contributed proceeds of €34.09 million from the sale of assets held for sale (AFS) in the previous year. The current year resulted in a group loss of €-6.47 million, an increase compared to the loss of €-0.29 million in 2021A.

Balance sheet and financial situation as of 31.12.2022

in € million	31.12.19	31.12.20	31.12.21	31.12.22
Equity	70.54	308.60	387.32	172.74
Equity ratio	82.0%	93.5%	92.2%	97.1%
Investments at FVOCI	79.93	326.22	406.61	171.10
Cash & Cash equivalents	0.00	0.06	1.35	0.43

Sources: Samara Asset Group plc; GBC AG

The balance sheet of the Samara Asset Group aligns with the typical structure observed in investment companies. Due to the fact that investments were primarily financed through equity and changes in the fair value of investees are recorded in equity, the company maintains a substantial equity ratio. As of December 31, 2022, the equity stands at €172.74 million (compared to €387.32 million on December 31, 2021), representing a robust equity ratio of 97.1% (compared to 92.2% on December 31, 2021). The primary reason for the decrease in equity stems from the elimination of the block.one position, resulting in an Other Comprehensive loss amounting to €204.41 million. This reduction significantly impacted the overall equity of the company.

In terms of liquidity, the company had €0.43 million in cash and cash equivalents as of December 31, 2022 (compared to €1.35 million on December 31, 2021). Additionally, interest-bearing liabilities amounted to €4.40 million (compared to €2.01 million on December 31, 2021). As of December 31, 2022, the liquidity position does not exhibit a substantial increase due to the non-recognition of the sale of block.one. Therefore, the impact of this transaction on the company's liquidity has not been accounted for in the financial statements.

Overall, the balance sheet reflects the strong equity position of the Samara Asset Group, indicating a solid financial foundation for its investment activities.

VALUATION

Samara Asset Group has invested \$10 million in Samara Alpha Management's newly launched flagship market-neutral multi-strategy fund. Samara Alpha, a US-based asset management subsidiary of Samara Asset Group, focuses on capitalizing on market inefficiencies in the nascent digital asset space. Led by Chief Investment Officer Adil Abdulali, the team aims to deliver attractive risk-adjusted returns through a curated portfolio of diversified digital asset managers. Samara Asset Group plans to continue deploying assets into new strategies developed by Samara Alpha and other emerging managers, providing its shareholders access to exclusive investment opportunities and the potential for strong performance in the digital asset market.

The decision to sell Block.one and the subsequent strategy to establish the Samara Asset Manager

In June 2023 Samara Asset Group has announced the sale of its complete stake in crypto company Block.one for a cash amount of USD 118.9 million (approximately € 109.7 million). The transaction generated a profit of around USD 52 million (approximately EUR 48 million) based on the book value of the Block.one stake on Samara's balance sheet. Samara's management made the decision to distribute a dividend of EUR 1.30 per share, resulting in a substantial total payout of approximately EUR 74 million.

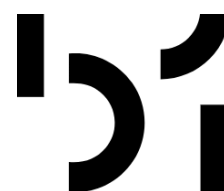
Over the past year, Samara Asset Group became aware that Block.one had sold a significant amount of its Bitcoin holdings. Samara Asset Groups NAV calculation for Block.one amounted to approximately \$6.00 billion. Consequently, selling at around \$5.30 billion meant accepting a discount of around 11.6% on the actual liquid asset value.

The management decided to allocate approximately \$50 million for investments within the fund-to-fund strategy over the next 12 to 18 months. This strategic move is in line with Samara's objective of becoming a trusted institutional-grade investor for large institutions and limited partners. The successful launch of the Samara Alpha platform earlier this year, which incorporated an experienced team from the fund complex of Deutsche Digital Assets, has already garnered considerable interest and support.

The market-neutral fund-of-fund strategy aims to deliver an annual expected return ranging from 25% to 35%. The deployment of an initial \$10 million into this strategy marks the beginning of constructing a diverse portfolio consisting of various strategies and managers in the crypto industry. Samara intends to capitalize on the inherent opportunities presented by infrastructure inefficiencies in traditional capital markets, particularly prevalent in the dynamic crypto landscape. By implementing these strategies, the objective is to generate pure alpha, while minimizing exposure to underlying assets and mitigating volatility. This approach allows Samara to navigate the market dynamics and potentially achieve significant returns.

Samara's decision not to liquidate its entire holdings and return everything to shareholders, except for small illiquid investments like Deutsche Digital Assets, nextmarkets, and Xpay, stems from the fact that retail investors do not have access to such investment opportunities.

Samara Alpha, operating as a subsidiary of Samara Asset Group, manages its own funds independently. Samara Asset Group deploys its balance sheet into these funds, which are also managed by external members and limited partners. The expectation is for the team at Samara Alpha to raise a significant amount of capital and deliver strong performance for external investors. Thus, shareholders of Samara Asset Group also participate in the potential success of Samara Alpha as a standalone business.



Furthermore, Samara Asset Group acquired from Deutsche Digital Assets for approximately 200,000 euros. Additional investments of around 400,000 to 500,000 euros have been committed to the subsidiary. Currently, the valuation is based on its cost basis, as its net asset value does not hold substantial value yet. Strategic investors are being sought to increase its valuation, but no changes have been made thus far. A potential share capital increase may be pursued, preferably with strategic investors who would invest alongside Samara Asset Group with three to five million euros, resulting in a higher valuation.

The subsidiary company operates independently as a standalone entity, and its valuation is being carried at its cost basis. Efforts are ongoing to attract strategic investors who can significantly enhance its value. Currently, the focus is on establishing the entity and launching its first fund, which occurred on June 30th. There is no immediate need to bring in strategic investors until the subsidiary has developed further. Any share capital increase would likely involve investors who are considered strategically aligned and willing to invest a substantial amount alongside Samara Asset Group.

Overall, Samara's strategy involves moving away from being a cryptocurrency-focused company and positioning itself as a trusted institutional-grade investor for large institutions and limited partners. The emphasis is on the fund-to-fund investment strategy and the market-neutral fund-of-fund approach through the Samara Alpha platform. By capitalizing on inefficiencies in traditional capital markets and offering reduced exposure to underlying assets, Samara aims to generate alpha and deliver attractive returns for its shareholders and investors.

Samara Alpha Management

Samara Alpha Management will not only manage Samara Asset Groups assets but also the assets of external members and limited partners.



The Samara Alpha platform is treated as a startup within the Samara Asset Group, operating as a subsidiary. Currently, the platform is carried at its cost basis, and there are plans to bring in strategic investors to increase its valuation in the future. The goal is to attract investors who can contribute significant capital, potentially three to five million alongside Samara, with a substantially higher valuation. These strategic investors would also commit to investing 25 to 50 million as a Limited Partner. While discussions with potential strategic investors are ongoing, we expect that such partnerships may take three to six months to materialize, considering the recent launch of the platform's first fund.

The flagship fund offered by Samara Alpha Management is a market-neutral portfolio comprising diverse cryptocurrency hedge fund strategies. With active management, the fund aims to generate attractive risk-adjusted returns for investors.

In addition to the flagship fund, Samara Alpha Management operates a seeding platform that identifies promising new crypto managers and provides support throughout their initial growth phase. This includes offering operational and technological expertise to help these managers realize their potential for generating alpha.

Furthermore, Samara Alpha Management offers a middleware solution in the form of an enterprise Platform as a Service (PaaS). This solution provides institutional-quality tools and services to new and startup hedge fund managers, allowing them to focus on portfolio management and alpha generation while benefiting from the company's comprehensive platform. Samara Asset Group has made an initial investment of approximately €0.62

million in **Samara Asset Management**. Given the early stage of the company, we currently value **Samara Asset Management** at its cost basis of **€0.62 million**.

Northern Data AG

Northern Data is a prominent global B2B technology company that specializes in the development, utilization, and sale of solutions built on a vertically-integrated High Performance Computing (HPC) infrastructure. This unique infrastructure empowers the company to provide comprehensive computing services on a global scale. Notably, Northern Data generates substantial revenues from its involvement in Bitcoin and Ethereum mining.



As a listed company on the stock exchange, Northern Data's share price has shown a correlation with the fluctuations in the crypto markets. During the crypto boom in 2022, the share price reached a temporary peak of €143.00 per share. However, given the current challenging crypto environment, the share price has declined significantly to €22.30 (Xetra 06.07.2023 11:07), standing well below its previous peak. Despite this, Samara's management team maintains confidence in the future prospects of Northern Data. In early 2023 the management of Samara probably recognized the significant undervaluation of Northern Data and proceeded to make strategic purchases, based on the correlation between Bitcoin's performance and the potential of Northern Data and other Bitcoin-related assets. Consequently, when Bitcoin showed signs of positive movement, the management rightfully anticipated a similar turnaround for Northern Data. As a result, the Samara increased their stake in Northern Data, reaching a percentage of approximately 9%. However, following Northern Data's recent announcement of a new share capital increase, the ownership percentage was diluted. Despite this dilution, the company maintains a strong belief in the future prospects of Northern Data.

In our valuation methodology, we have maintained consistency with our initial coverage and utilized the consensus price target as the foundation for our net asset value (NAV) assessment. Among the available sources, Hauck & Aufhäuser (as of September 5, 2022) is the only provider offering a current price target. According to their analysis, the fair value of Northern Data stands at €65.00 per share, then corresponding to an enterprise value of €1,548.00 million. **Given Samara Asset Group's ownership stake of 9.7% in Northern Data, this valuation translates to an estimated NAV of €150.16 million.**

Deutsche Digital Assets GmbH

Deutsche Digital Assets (DDA) serves as a gateway for investors seeking to enter the world of crypto asset investing by providing trusted and familiar investment vehicles. As a dedicated crypto asset manager, DDA aims to simplify and professionalize access to cryptocurrencies like Bitcoin and Ether, as well as the growing ecosystem of digital assets. DDA offers a diverse product portfolio that includes exchange-traded products (ETPs) listed on various traditional European exchanges, broadly diversified index funds, and actively-managed quantitative solutions and funds. This range of options allows investors to participate in the performance of cryptocurrencies and digital assets while enjoying a secure and familiar user experience. DDA also launched the first regulated index crypto fund in Europe in 2019, which was then used as the basis for issuing ETPs. **According to management, the last capital increase took place in mid-2022 at a valuation of € 25 million. As a result of Samaras' strategic acquisition of DDAs US arm, which includes a subsidiary managing a private fund complex based in Delaware and Cayman, Samaras gains the ability to further expand its crypto-focused fund investments. This acquisition facilitates increased scalability in this area. Consequently, we deduct €0.2 million, acknowledging the value derived from this acquisition and its impact on Samaras' growth in crypto fund investments. As a result, we have**



determined the current valuation of DDA to be €24.8 million. The With a stake of 8.9%, this corresponds to an NAV of € 2.21 million.

cloudeo AG

cloudeo AG operates a platform through which professional geoinformation services from leading national and international manufacturers can be obtained. Cloudeo has remained profitable but has not shown significant growth or potential for investment returns. The company's value has been impaired to zero, and it has not entered a phase of rapid scaling or generated significant dividends. While the geospatial space is still evolving, there is a possibility that Cloudeo may find a niche in the future and integrate with blockchain technology, leading to substantial value. **Based on our current assessment, we have assigned a zero value to the 13.8% stake in cloudeo AG.**

cloudeo

nextmarkets AG

nextmarkets offers a neobroker. The company's focus is on building a leading trading and online learning platform for private investors that is simple and intuitive. In May 2023 the nextmarkets team had announced their plans to enter liquidation. However, we expect that there are efforts made to restructure the company. **Based on our current assessment, we have assigned a zero value to the 24.7% stake in nextmarkets AG.**

NEXTMARKETS

Assemble Stream Inc

Assemble, a visionary company founded by Randi Zuckerberg, has established a notable subsidiary called Hug. Hug serves as a peer-to-peer social media platform specifically designed for content creators. Through its P2P model, Hug provides a specialized space for content creators to connect, collaborate, and showcase their talents. It fosters an environment that empowers creators and facilitates the growth of their respective communities. **Samara Asset Group currently holds a convertible asset with an estimated investment value of approximately \$0.28 million at cost.**

New York Digital Investment Group LLC - NYDIG (formerly Bottlepay)

Bottlepay's acquisition by NYDIG proved to be a successful exit for Samara Asset Group within a short span of time. NYDIG is a prominent player in the crypto market, offering Bitcoin solutions across various industries, including banking, insurance, fintech, and non-profit organizations. The company adheres to rigorous regulatory standards and has established itself as a major participant in the crypto space. In December 2021, NYDIG raised approximately \$1 billion at a valuation of \$7 billion. In comparison, Bottlepay was a relatively small company at the time of acquisition. **While the stake owned by Samara Asset Group in NYDIG is conservatively estimated to be around 0.01%, the value of this investment translates to approximately USD 0.7 million or € 0.64 million based on the net asset value (NAV) calculation. Despite its modest size, the stake in NYDIG adds to the overall portfolio of Samara Asset Group, showcasing their strategic presence in the crypto industry.**

NYDIG

Chintai Network Services PTE

Chintai, headquartered in Singapore, is a company that leverages blockchain technology to revolutionize capital markets for banks, financial institutions, and asset managers. Their comprehensive platform provides a streamlined solution, combining the benefits of

CHINTAI

blockchain with a powerful automated compliance engine, catering to the needs of traditional financial firms. **Based on our current estimates, Chintai's valuation stands at approximately \$25 million, equivalent to €22.91 million. With a 4.4% ownership rate, Samara Asset Group's stake in Chintai contributes to the net asset value (NAV) of the portfolio, amounting to approximately €1.02 million. This investment reflects Samara's commitment to innovative solutions that reshape and modernize the financial industry through blockchain technology.**

Xpay Holding AG

Xpay is a leading provider of embedded finance solutions, specializing in the development of branded Mastercard card programs that incorporate integrated loyalty components. By offering exclusive and personalized benefits, Xpay enables brands to create immersive consumer experiences in new realms of everyday life. **In our previous research report, we estimated that the Xpay Holding had a total value of € 42 million and an ownership interest of 5.0%, resulting in an asset value of 2.10 million. However, due to a washout downturn, where Samara Asset Group made a contribution at a significantly diluted valuation, the current valuation is expected to be closer to 7.5 million with an ownership interest of 32.4%. Consequently, the revised asset value is estimated to be 2.43 million.**



Topl Inc

Topl is a pioneering blockchain ecosystem that empowers companies and corporations to harness the value of their positive impact. Through its innovative technology, Topl enables organizations to track their carbon footprint and other social initiatives across their entire supply chain. Samara recognizes the immense potential of Topl's blockchain technology in driving sustainable practices and creating positive social impact, making it an integral part of its investment portfolio. **Samara Asset Group made a significant investment of approximately €1.85 million into Topl. Currently, we have valued it at cost, at €1.85 million.**



Fund Investments

The fund investments have emerged as a key focus of the new investment strategy. As part of this strategy, the company has significantly increased its contribution to approximately €26.00 million (previously €10.00 million).

Cryptoholdings (primarily BTC)

Samara Asset Group has significantly increased its holding in cryptocurrencies, primarily consisting of BTC (Bitcoin) and some USDT (Tether). Based on our estimation, the value of the cryptoholdings is approximately €1.60 million.

Treasury shares

Samara Asset Group actively engages in share buybacks, with approximately 6.58 million treasury shares in its possession. Based on the current market price of €2.18 (as of Xetra on 25.07.23 at 10:02am), these treasury shares hold a total value of €14.35 million.

Other Assets

The category of other assets within Samara Asset Group primarily comprises future cash inflows resulting from the € 1.30 dividend payout for their treasury shares. These funds are processed through the clearstream system, irrespective of the share ownership. Furthermore, they have allocated some of their liquid assets towards lending activities to generate yield, which has led to the inclusion of receivables within this category. Our estimation places the value of the other assets at approximately 26 million euros.

Net debt and holding costs

The net debt and discounted holding costs amounted to €17.28 million, representing an increase from the previous value of €15.22 million.

	NAV USD	NAV EUR	ownership interest	NAV pro rata
Assemble Stream Inc		0.28		0.28
Chintai Network Sevices PTE	25	22.91	4.4%	1.02
Cloudeo AG		0.00	13.8%	0.00
Cryptoholdings (primarily BTC)		1.60	100.0%	1.60
Deutsche Digital Assets GmbH		24.80	8.9%	2.21
Fund Investments		26.00	100.0%	26.00
nextmarkets AG		0.00	24.7%	0.00
Northern Data AG		1,548.00	9.7%	150.16
NYDIG	7,000	6,416.08	0.01%	0.64
Other Assets		26.00	100.0%	26.00
Samara Alpha Management		0.62	100.0%	0.62
Topl Inc		1.85		1.85
Treasury Shares		14.35	100.0%	14.35
Xpay Holding AG		7.50	32.4%	2.43
Total Investments				227.15
Net debt & holding cost (discounted)				-17.28
NAV				209.87
Shares outstanding				50.64
NAV per share				4.14

Source: GBC AG; (1 USD = 0.91658219 EUR as of 07.07.2023, 13:14 UTC)

We have determined the total valuation of investments for Samara Asset Group to be €227.15 million. Factoring in an increased net debt and holding costs of €-17.28 million (an increase from the previous €-15.22 million), we have estimated a comprehensive Net Asset Value (NAV) for the company, which now stands at €209.87 million. This translates to €4.14 per share. With the current share price standing at €2.18 (Xetra on 25th July 2023 at 10:02am), there is considerable upside potential. Consequently, we maintain a 'Buy' rating.

APPENDIX

I.

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