

SAMARA ASSET GROUP PLC
C 84355

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SAMARA ASSET GROUP PLC

DIRECTORS' Report

The directors present their consolidated annual report and financial statements for the year ended 31 December 2023.

Incorporation

Samara Asset Group plc was incorporated and registered with the Malta Business Registry on 10 January 2018 and started trading forthwith.

The shares of Samara Asset Group plc (ISIN MT0001770107) Ticker: SRAG:GR, (formerly 4UD) have been included in the primary market segment of the open market of the Düsseldorf Stock Exchange as of May 5, 2020 and are currently trading also on Gettex and Tradegate, with a market valuation of €1.40 at year end (2022: market value of € 2.51).

The listing on the primary market segment of the open market of the Dusseldorf Stock Exchange has been undertaken, against the background of using the capital structure as a source of financing in the future as part of the growth strategy.

Principal Activity of the Parent Company

The principal activity of the parent company is to invest in digital assets and mainly invest in companies with blockchain-related business models and, also, provide strategic advice to these types of companies. During the year under review, it invested in companies with underlying digital assets and diverted its position to include fund investments.

The Subsidiaries

Samara Advisory Limited (formerly Cryptology Advisory Limited) is a fully owned subsidiary of the Company which provides consultancy services specifically related to the use of blockchain technology and directly invests in crypto assets (the 'First' subsidiary)

On 29th December 2022, the Company purchased and owns 100% holdings in ICONIQ LAB U.S. Accelerator Inc., a corporation organized under the laws of Delaware, USA with its business address at 1890 Seventh Avenue, 2A, New York, NY 10026, USA. (the 'Second' subsidiary).

Investment Rationale

At the year end the Group held a portfolio of investments that experienced a positive impact on both 'quoted' and 'unquoted' investments. This contributed significantly to the performance of the Group's financial results for the year under review. The Group adheres to a clearly defined Investment policy which ensures transparency, consistency, and a fair basis of valuing financial instruments. In this regard, for 'unquoted' investments, in view of limited information available, the Group's measurement of fair value would be the price that the financial asset can be expected to sell in the ordinary course of business, as long, as the price indicated is supported by sound financial judgement. To this end, the Group obtains sufficient information to measure fairly the value of its investments from observable and unobservable inputs under normal market conditions. In relation to 'quoted' investments, these are valued based on open market information available at year-end.

The Group's Advisory Board is composed of key personnel well trained and experienced in the field. The Advisory Board seeks to identify, evaluate, and select ongoing viable projects that are likely to have significant positive impact on the Group's results.

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The Group is uniquely positioned to invest further in its existing portfolios. It also looks at other innovative investment opportunities, which could include co-investing with other partners in viable projects such as crypto-asset management.

The global macro-economic scenario has affected positively the Group's investments strategic approach, particularly the current trends in the financial and digital assets' market. The Group intends to act prudently when it comes to considering new investments.

Business Development and Outlook

The Company has developed very positively since its foundation where the cryptocurrencies showed a significant increase. Whilst in the first half of the year the crypto market had seen a substantial dip with prices plummeting more than 29% from its closing of the previous financial year, in Q4/23 prices regained their optimum position. With regards to traditional investments, the market has been bullish in Q4/23 notwithstanding the macro-economic outlook, both geopolitical and economically, where Central Banks have retained the interest rates and inflation is currently lowering its head. It is expected that markets will retain this position.

Analysing the ongoing performance in Q4/23 of crypto currencies, the Group had invested directly in BTC which up till end of the financial reporting year have rendered positive results. The Group believes that BTC will continue with its Relative Strength Index suggesting a bullish sentiment.

As anticipated, the Company has seen positive movements in the market after the turbulence experienced in year 2022. This is when the Company had taken strategic decisions that rewarded its shareholders through the distribution of dividends and made important investments that are already rendering positive results.

The Group will expand its existing stake with suitable companies if management believes that these companies complement to the existing holdings in a meaningful way, and thereby the strategy of the Group is to continue to build a diversified portfolio of companies with blockchain-based business models.

It is the Group's intention to be a key player in the industry by harnessing the experience to mitigate risks and avoid volatility scenarios mainly by seeking and harvesting new investment opportunities by investing in hi-tech companies. To this end, the Group, will continue to invest in key human resource talents to enhance its corporate governance and to assist in the ventures which it intends to pursue. The Board of Directors seeks to consistently improve business results and sustain continuous growth in the market in which it operates, and in line with its investment strategies.

On 28th May 2023, the Group sold all its shares in Block.one and total proceeds of ca. US\$118.9 million were received on 26th June 2023. On 4th July 2023, at an Extraordinary General Meeting, it was resolved to pay a dividend of €1.30 per share and such dividends (ca. €74.4 million) were distributed on 5th July 2023. The excess remaining funds were utilized to invest in new securities, funds, and purchase of BTC.

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Principal risks and uncertainties

The Group's principal risks and uncertainties are further disclosed in Notes 22 and 23 and specific risk evaluation to Fair Value Measurement as denoted in Note 24 to the financial statements.

Events after the financial reporting date

Disclosures in relation to subsequent events are set out in Note 25 to the financial statements.

Liquidity required for new investments was adequately tapped and the Group's activities were never hindered.

Results

The directors report a Group operating Loss after tax for the year of € 6,559,055 (2022: loss of € 6,474,219 and Group total comprehensive income of € 25,677,810 (2022: loss of € 210,888,021). The Group losses will be deducted to profits brought forward of €48,000,178, leaving accumulated profits of € 42,541,871 to be carried forward to next year. The closing balance of treasury stock amounting to € 5,366,383 (additional for the year: €1,668,574) was arrived at after the acquisition of € 9,093,294 of treasury shares during the reporting period and the re-issuance of treasury shares valued at € 7,424,720.

Performance Review

The Group's objective was always to invest in major investments in USA and Germany. During the past five years, it invested in companies that had yielded positive results. During the year under review the Group's profitability has emanated primarily from the sale of 'unquoted' investments at fair value through other comprehensive income (FVOCI) and from 'carry' arrangements for assets held under management for third parties. The Group registered a positive contribution to Total Comprehensive Income derived from fair value changes on these investments for both 'quoted' and 'unquoted' investments.

As per Public Disclosure under MAR Article 17, published on 1st November 2023 under 'Investor Relations', an investment in Xpay Holding AG, who had notified us that they will be closing the company due to the challenging capital markets and financial constraints, is being fully impaired and eventually written-off as a loss totaling to €6.9M, and this procedure is in full compliance with IFRS accounting. The implied carrying value write-off of the investment in Xpay Holding AG equated to an estimated loss of €0.14 per share at the time of reporting it. This write-off had wiped out all the profits generated during the year however, this was countered by the Group's positive contribution to Total Comprehensive Income of € 32,236,865 derived from fair value changes on investments held for both 'quoted' and 'unquoted' securities and the intangible assets.

During the year under review, the Group raised additional funds of €8.2 million through Bank Loan Agreements against BTC and 'quoted' securities collateral. Such funds were used for further investments in securities, fund capital commitment calls on fund investments and the purchase of more BTC.

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The Group continued to utilize the facility of € 5.1 million through a Securities Loan Agreement where it sold 'quoted' securities with a simultaneous condition and obligation to repurchase equivalent securities at the repurchase closing date of 15th September 2024 and a bank overdraft facility of € 6 million against 'quoted' shares held as collateral.

Further funds raised during the year emanated from share repurchase exercise by investees.

Dividends

Dividends paid to the shareholders amounted to €74.4 million (2022: nil).

Financial Reporting Framework

The directors have resolved to prepare the Group's financial statements for the year ended 31 December 2023 in accordance with the requirements of International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

Directors

The following have served as directors of the company during the year under review:

Mr. Patrick Lowry: Director acting as Chief Executive Officer
Mr. Jefim Gewiet : Director acting as Chief Operations Officer
Dr. Jorge Werner: Non-Executive Director

In accordance with the Articles of Association, all the directors shall retire from office at least once every three years.

Statement of directors' responsibilities

The Companies Act, 1995 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the financial performance of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- ensure that the financial statements have been drawn up in accordance with International Financial Reporting Standards, as adopted by the European Union;
- account for income and expenditure relating to the accounting period on an accrual basis;
- ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern.

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The directors are also responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act, 1995. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

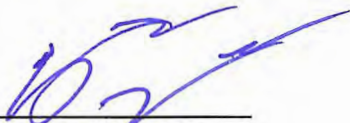
The directors confirm that, to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Group as of 31 December 2023 and of its financial performance and its cashflows for the year then ended, in accordance with IFRSs as adopted by the EU on the basis explained in Note 1 to the financial statements; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Group together with additional information of the principal risks and uncertainties that the Group faces.

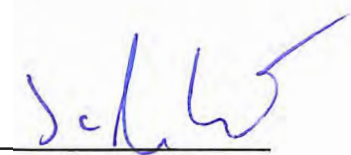
Auditors

Grant Thornton had intimated their willingness to engage with the Group acting as statutory auditors of both the holding company – Samara Asset Group plc and its subsidiary – Samara Advisory Limited (formerly Cryptologic Advisory Limited). A resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



Mr. Patrick Lowry
Director



Mr. Jefim Gewiet
Director

Registered Office:
'Beatrice', 66 & 67,
Amery Street,
Sliema, SLM 1707
Malta

26 June 2024

SAMARA ASSET GROUP PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

		Group		Company	
		2023	2022	2023	2022
		€	€	€	€
	Notes				
REVENUE	4	3,609,535	89,713	3,583,675	-
Cost of investments		(12,010)	-	-	-
Fair value movements		5,049	(2,120,622)	-	-
GROSS OPERATING PROFIT		3,602,574	(2,030,909)	3,583,675	-
Administrative expenses		(13,014,652)	(5,172,755)	(13,089,007)	(5,059,091)
Other income		5,340,277	673,942	5,340,277	669,557
LOSS ON ORDINARY ACTIVITIES		(4,071,801)	(6,529,722)	(4,165,055)	(4,389,534)
Finance (costs) income	5	(1,111,162)	9,042	(1,108,881)	9,189
Loss for the year before taxation	6	(5,182,963)	(6,520,680)	(5,273,936)	(4,380,345)
Taxation	9	(1,376,092)	46,461	(1,375,106)	-
Loss for the year after taxation		(6,559,055)	(6,474,219)	(6,649,042)	(4,380,345)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be taken to profit or loss:					
Quoted investments at FVOCI	14	45,534,719	(158,500,475)	45,534,719	(158,500,475)
Unquoted investments at FVOCI	14	(19,010,190)	(46,391,856)	(19,010,190)	(46,391,856)
Fair value movement of intangible assets	10	6,325,921	-	6,325,921	-
Foreign exchange translations on FA at FVOCI	14	(425,630)	478,529	(425,630)	478,529
Items that will be taken to profit or loss:					
Foreign exchange translations on foreign subsidiary		(187,955)	-	-	-
		32,236,865	(204,413,802)	32,424,820	(204,413,802)
TOTAL COMPREHENSIVE INCOME (LOSS)		25,677,810	(210,888,021)	25,775,778	(208,794,147)

The notes on pages 11 to 45 form an integral part of these financial statements.

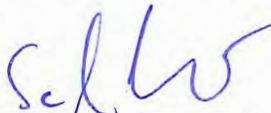
SAMARA ASSET GROUP PLC


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

ASSETS	Notes	Group		Company	
		2023	2022	2023	2022
		€	€	€	€
Non-current assets					
Intangible assets	10	22,525,805	-	22,525,805	-
Property, plant and equipment	11	8,792	7,957	8,792	7,957
Investment in subsidiaries	12	-	-	377,466	200,240
Investments at FVOCI	14	108,071,670	171,099,270	108,071,670	171,099,270
Trade and other receivables	16	931,766	931,766	931,766	931,766
Deferred tax asset	13	10,343	1,191,062	10,343	1,190,076
Goodwill		-	200,000	-	-
		<u>131,548,376</u>	<u>173,430,055</u>	<u>131,925,842</u>	<u>173,429,309</u>
Current Assets					
Other current assets	15	-	8,542	-	8,542
Trade and other receivables	16	8,019,512	4,087,209	8,025,258	4,301,345
Cash and cash equivalents		865,331	432,954	676,487	432,954
		<u>8,884,843</u>	<u>4,528,705</u>	<u>8,701,745</u>	<u>4,742,841</u>
TOTAL ASSETS		€ 140,433,219	€ 177,958,760	€ 140,627,587	€ 178,172,150
EQUITY AND LIABILITIES					
Equity					
Share capital	17(a)	2,860,875	2,860,875	2,860,875	2,860,875
Share premium	17(b)	54,053,895	54,053,895	54,053,895	54,053,895
Treasury stock	17(c)	(102,841)	(81,118)	(102,841)	(81,118)
Treasury stock reserve	17(d)	(5,263,542)	(3,616,691)	(5,263,542)	(3,616,691)
Fair value reserve	17(e)	24,409,343	71,520,675	24,409,343	71,520,675
Translation reserve		(187,955)	-	-	-
Retained earnings	17(f)	42,541,871	48,000,179	42,568,989	48,117,283
Total Equity		<u>118,311,646</u>	<u>172,737,815</u>	<u>118,526,719</u>	<u>172,854,919</u>
Non-Current Liabilities					
Interest-bearing loans	18	13,333,899	4,404,899	13,333,899	4,404,899
Current Liabilities					
Trade and other payables	19	8,787,674	816,046	8,766,969	912,332
Total Liabilities		<u>22,121,573</u>	<u>5,220,945</u>	<u>22,100,868</u>	<u>5,317,231</u>
TOTAL EQUITY AND LIABILITIES		€ 140,433,219	€ 177,958,760	€ 140,627,587	€ 178,172,150

The notes on pages 11 to 45 form an integral part of the financial statements. These Financial statements were approved by the directors on 26 June 2024 and signed on its behalf by:


 Mr. Jefim Gewiet
 Director


 Mr. Patrick Lowry
 Director

SAMARA ASSET GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 31 December 2023

	Share capital €	Share Premium €	Treasury Stock €	Treasury Stock Reserve €	Fair value Reserve €	Translation Reserve €	Retained Earnings €	Total €
The Group								
At 1 January 2022	2,860,875	54,053,895	-	-	257,646,079	-	72,762,796	387,323,645
Acquisition of treasury stock	-	-	(81,118)	(3,616,691)	-	-	-	(3,697,809)
Transfer to retained earnings	-	-	-	-	18,288,398	-	(18,288,398)	-
Loss for the year	-	-	-	-	-	-	(6,474,219)	(6,474,219)
Other Comprehensive Income	-	-	-	-	(204,413,802)	-	-	(204,413,802)
At 31 December 2022	2,860,875	54,053,895	(81,118)	(3,616,691)	71,520,675	-	48,000,179	172,737,815
At 1 January 2023	2,860,875	54,053,895	(81,118)	(3,616,691)	71,520,675	-	48,000,179	172,737,815
Acquisition of treasury stock	-	-	(264,435)	(8,828,859)	-	-	-	(9,093,294)
Reissuance of treasury stock	-	-	242,712	7,182,008	-	-	-	7,424,720
Loss on offsetting of loans	-	-	-	-	-	-	(9,068,601)	(9,068,601)
Transfer to retained earnings	-	-	-	-	(79,536,152)	-	79,536,152	-
Transfer of loss on investments to retained earnings from prior year	-	-	-	-	-	-	(123,353)	(123,353)
Dividends paid	-	-	-	-	-	-	(69,243,451)	(69,243,451)
Loss for the year	-	-	-	-	-	-	(6,559,055)	(6,559,055)
Other Comprehensive Income –								
Intangible asset	-	-	-	-	6,325,921	-	-	6,325,921
Financial assets at FVOCI	-	-	-	-	26,524,529	-	-	26,524,529
Currency translation	-	-	-	-	(425,630)	(187,955)	-	(613,585)
At 31 December 2023	2,860,875	54,053,895	(102,841)	(5,263,542)	24,409,343	(187,955)	42,541,871	118,311,646

The notes on pages 11 to 45 form an integral part of these financial statements.

SAMARA ASSET GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 31 December 2023

	Share capital €	Share Premium €	Treasury Stock €	Treasury Stock Reserve €	Fair value Reserve €	Translation Reserve €	Retained Earnings €	Total €
The Company								
At 1 January 2022	2,860,875	54,053,895	-	-	257,646,079	-	70,786,026	385,346,875
Acquisition of treasury stock	-	-	(81,118)	(3,616,691)	-	-	-	(3,697,809)
Transfer to retained earnings	-	-	-	-	18,288,398	-	(18,288,398)	-
Loss for the year	-	-	-	-	-	-	(4,380,345)	(4,380,345)
Other Comprehensive Income – Financial assets at FVOCI	-	-	-	-	(204,892,331)	-	-	(204,892,331)
Currency translation	-	-	-	-	478,529	-	-	478,529
At 31 December 2022	2,860,875	54,053,895	(81,118)	(3,616,691)	71,520,675	-	48,117,283	172,854,919
At 1 January 2023								
Acquisition of treasury stock	2,860,875	54,053,895	(81,118)	(3,616,691)	71,520,675	-	48,117,283	172,854,919
Reissuance of treasury stock	-	-	(264,435)	(8,828,859)	-	-	-	(9,093,294)
Loss on offsetting of loans	-	-	242,712	7,182,008	-	-	-	7,424,720
Transfer to retained earnings	-	-	-	-	(79,536,152)	-	(9,068,601)	(9,068,601)
Transfer of loss on investments to retained earnings from prior year	-	-	-	-	-	-	(123,353)	(123,353)
Dividends paid	-	-	-	-	-	-	(69,243,451)	(69,243,451)
Loss for the year	-	-	-	-	-	-	(6,649,041)	(6,649,041)
Other Comprehensive Income - Intangible asset	-	-	-	-	6,325,921	-	-	6,325,921
Financial assets at FVOCI	-	-	-	-	26,524,529	-	-	26,524,529
Currency translation	-	-	-	-	(425,630)	-	-	(425,630)
At 31 December 2023	2,860,875	54,053,895	(102,841)	(5,263,542)	24,409,343	-	42,568,989	118,526,719

The notes on pages 11 to 45 form an integral part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	Group		Company	
		2023	2022	2023	2022
		€	€	€	€
OPERATING ACTIVITIES					
Cash from (used in) operations	20 (a)	(19,582,155)	153,745	(17,051,548)	497,478
Interest paid		(529,771)	(165,269)	(529,771)	(165,269)
Interest received		2,049,754	669,557	2,049,754	669,557
NET CASH FROM/ (USED IN) OPERATING ACTIVITIES		(18,062,172)	658,033	(15,531,565)	1,001,766
INVESTING ACTIVITIES					
Purchase of plant and equipment	11	(4,361)	(8,503)	(4,361)	(8,503)
Purchase of intangible assets	10	(16,199,884)	-	(16,199,884)	-
Purchase of subsidiary		-	-	(2,707,407)	(200,000)
Disposal of AFS investments		129,814,650	15,256,560	129,814,650	15,256,560
Purchase of AFS investments		(33,272,136)	(4,764,862)	(33,272,136)	(4,764,862)
Convertible loan advances		-	(3,358,933)	-	(3,358,933)
NET CASH FROM INVESTING ACTIVITIES		80,338,269	7,124,262	77,630,862	6,924,262
FINANCING ACTIVITIES					
Dividends paid		(69,243,451)	-	(69,243,451)	-
Repurchase of own shares		(9,068,601)	(3,697,809)	(9,068,601)	(3,697,809)
Bank loan advances		10,296,180	2,992,394	10,296,180	2,992,394
Repayment of third party loans		(1,367,180)	(600,000)	(1,367,180)	(600,000)
Loan advances to related party		-	(2,102,534)	-	(2,246,267)
NET CASH USED IN FINANCING ACTIVITIES		(69,383,052)	(3,407,949)	(69,383,052)	(3,551,682)
Net movement in Cash and Cash Equivalents		(7,106,955)	4,374,346	(7,283,755)	4,374,346
Cash and Cash Equivalents at the beginning of Year	20 (b)	(265,158)	(4,639,504)	(265,158)	(4,639,504)
Cash and Cash Equivalents before the effects of foreign exchange difference		(7,372,113)	(265,158)	(7,548,913)	(265,158)
Effect of foreign exchange translation		12,044	-	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR		(7,360,069)	(265,158)	(7,548,913)	(265,158)

The notes on pages 11 to 45 form an integral part of these financial statements.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. COMPANY INFORMATION AND BASIS FOR PREPARATION

1.1 Company Information

Samara Asset Group plc, the 'Company', was incorporated and registered with the Malta Business Registry on 10 January 2018 and started trading forthwith. The Company's registered office address and principal place of business is located at Beatrice, 66 & 67, Amery Street, Sliema, SLM 1707, Malta. The Company's principal activity company is to, a lesser degree, invest in digital assets and mainly invest in companies with blockchain-related business models and, also, provide strategic advice to these types of companies.

1.2 Statement of Compliance

The consolidated financial statements of Samara Asset Group plc have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

These financial statements have also been prepared in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta).

1.3 Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of the Company and its subsidiary undertakings drawn up to 31 December each year. Subsidiary undertakings are those companies over which the Group has control, either by way of majority shareholding, through contractual agreements with the other vote holders of the investee or rights arising from other contractual agreements, giving it the power to govern financial and operating policies of the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

1. COMPANY INFORMATION AND BASIS FOR PREPARATION (continued)

1.3 Consolidation (continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The parent company of the Group wholly owns two subsidiaries, which are set out in Note 12. No associated undertakings were held at year end.

1.4 Basis of accounting

The financial statements are prepared under the historical cost. Assets and liabilities are measured at historical cost except for the following that are measured at fair value: financial assets measured at fair value through other comprehensive income (FVOCI), and financial assets classified at fair value through profit or loss (FVTPL).

These Financial Statements are prepared on a going concern basis. The Directors regard this as appropriate, after due consideration of the Group's statement of financial position, capital adequacy and solvency.

2. NEW OR REVISED STANDARDS OR INTERPRETATIONS

2.1 Interpretations and amendments to standards adopted by the Group and Company

Some accounting pronouncements which have become effective from 1 January 2023 and have therefore been adopted do not have a significant impact on the Group's and Company's financial results or position.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

2. NEW OR REVISED STANDARDS OR INTERPRETATIONS (continued)

2.1 Interpretations and amendments to standards adopted by the Company (continued)

Other Standards and amendments that are effective for the first time in 2023 and could be applicable to the company and the group are:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

These amendments do not have a significant impact on these consolidated financial statements and therefore no disclosures have been made.

2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company and the Group.

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or International Financial Reporting Interpretations Committee (IFRIC). None of these Standards or amendments to existing Standards have been adopted early by the Company and the Group and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company and the Group.

Other Standards and amendments that are not yet effective and have not been adopted early by the company include:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)

These amendments are not expected to have a significant impact on the consolidated financial statements in the period of initial application and therefore no disclosures have been made.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

An entity should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the consolidated financial statements.

Management has concluded that the disclosure of the entity's material accounting policies below are appropriate.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

3.1 Non-derivative financial instruments

Non-derivative financial instruments comprise in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment.

Discounting is omitted when the effect of discounting is immaterial, or when the interest rate attached to the instrument exceeds the Company's incremental borrowing rate. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other available features or shared credit risk characteristics.

The percentage of the write down value is then based on recent historical counterparty default rates for each identified group. Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit and loss, which are measured initially at fair value. They are subsequently measured as described below. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

3.2 Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds. Classification and subsequent measurement of debt instruments depend on:

- i. The Group's business model for managing the asset; and
- ii. The cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement criteria:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flow represent solely payments of principal and interest on specified dates. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Debt instruments (continued)

- Fair Value through Other Comprehensive Income (FVOCI): Financial assets that are held for collecting of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI. Foreign exchange gains and losses on the instrument's amortised cost which also recognised in OCI. No impairment gains or losses are recognised since these are reflected in the movement in fair value through OCI. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is kept in OCI. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.
- Fair Value through Profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

3.3 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective: that is instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

On initial recognition of an equity investment that is not held for trading, the Group may irrecoverably elect to present changes in fair value in OCI. This election is made on an investment-by-investment basis and is irrecoverable. Other equity instruments are classified as measured at FVTPL. Gains and losses on such equity instruments are never reclassified to profit and loss and no impairment is recognized.

Dividends are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognized in OCI. Cumulative gains and losses recognized in OCI are kept within OCI on disposal of an investment.

Gains and losses on equity investments held for trading at FVTPL are included in the 'Trading profits' in line with the statement of profit or loss. The Group classifies its equity instruments as follows:

- i. Financial assets at fair value through profit or loss: This classification includes financial assets classified as held for trading. Financial assets at FVTPL are initially recognized and subsequently measured at fair value based on quoted bid prices in an active market.
- ii. Financial assets at fair value through OCI: Investment securities are classified as available-for-sale financial assets in view of the fact that these are intended to be held for an indefinite period of time, but which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or market prices. All investment securities are initially measured at fair value plus transaction costs, if any, that were directly attributable to their acquisition.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

3.3 Equity instruments (continued)

Those investments securities classified as available-for-sale financial assets are subsequently measured at fair value based on quoted bid prices in an active market, or by reference to a valuation technique if the market was not active. Shares held as investments are classified as 'Available for Sale Investments' and these are valued at acquisition cost excluding any other ancillary costs. All shareholding listings in each respective investee is below the 20% holding.

3.4 Convertible instruments

Convertible instruments, which give the holder the right to either demand repayment of the principle amount or to write off the debt and instead convert the balance into shares, are split up recognising both the liability and the equity components.

The liability component is worked out on the basis of the present value of the payments at the market rate of interest. Once the liability component has been calculated, the equity component represents the difference between the cash paid and the liability component. This scenario applies when the market rate of interest will be higher than the coupon rate.

3.5 Investment in subsidiaries and equity-accounted investees

A subsidiary is an entity that is controlled by the Group. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Investments in subsidiaries and equity-accounted investees are initially included in the Group's statement of financial position at cost and subsequently at cost less any impairment loss which may have arisen. Interest in equity-accounted investees are accounted for using the equity method at Group Level. These are initially recognized at cost, which includes transaction costs. Subsequently the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Dividends from the investments are recognised in profit or loss when its right to receive the dividend is established. At the end of each reporting period, the Group reviews the carrying amount of its investments in subsidiaries and equity-accounted investees to determine whether there is any indication of impairment, and if such indication exists, the recoverable amount of the asset is estimated, and an impairment loss is accounted for as explained below.

3.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided for on the straight-line method at rates intended to write off the cost to its residual value over the expected useful life. The annual rates used are as follows:

	%
Computer and other office equipment	25
Computer software	25

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

3.6 Property, plant and equipment (continued)

Depreciation begins when the asset is available for use and continues until the asset is derecognised. Depreciation charge is recognised within 'cost of sales' and 'administrative expenses' in the statement of comprehensive income.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. The residual values and useful lives of the assets are reviewed and adjusted as appropriate, at each financial reporting date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Property, plant and equipment that are temporarily idle and in course of construction are recognized in the carrying amount of property, plant and equipment at cost within 'Assets under construction'. No Property, plant and equipment were idle during the year ended 31 December 2023.

3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit and loss in the year in which the expenditure is incurred.

The useful life of intangible assets is assessed to be either finite or infinite. The Group's intangible assets consist of digital assets, which are held for the Group's own account. No amortisation is being provided to write off of the cost to its residual value, since the assets do not have a definite useful life.

The digital assets were classified as intangible assets under IAS 38, 'Intangible Assets', because:

- it is a resource controlled by an entity (that is, the entity has the power to obtain the economic benefits that the asset will generate and to restrict the access of others to those benefits) as a result of past events and from which future economic benefits are expected to flow to the entity;
- it is identifiable, because it can be sold, exchanged or transferred individually;
- it is not cash or a non-monetary asset; and
- it has no physical form.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

3.7 Intangible assets (continued)

Where an indication of impairment exists, the carrying amount of the intangible asset is assessed and written down immediately to its recoverable amount.

For the purpose of assessing impairment, assets are grouped in the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and its value in use. To determine the value in use, management estimates expected future cashflows from each cash-generating unit and determines a suitable discounting rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management. Impairment losses are recognised immediately in the income statement. Impairments losses for cash-generating units are charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment loss that had been previously recognised is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been previously recognised.

3.8 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations resulting from a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are numerous similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the obligations' class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

3.8 Provisions, contingent liabilities and contingent assets (continued)

A contingent liability is (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or (b) a present obligation that arises from past events but is not recognized because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized. Contingent assets are disclosed when an inflow of economic benefits is probable.

3.9 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months.

3.10 Related Undertakings and Related Parties

The term 'related undertakings' refers to companies having common shareholders or common ultimate shareholders. A party is related to an entity if, directly or indirectly through one or more intermediaries, the party controls or is under common control with the entity, or has an interest in the entity which can give significant influence on control over the entity.

3.11 Bank and Other Borrowings

Bank and other borrowings are recorded at the proceeds received. Finance charges are accounted for on an accrual basis and are shown with accruals to the extent that they are not settled in the period in which they arise.

3.12 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, its absence, the most advantageous market to which the Group has access at the date. The fair value of a liability reflects its non-performance risk.

Fair value conditions, including but not limited to liquidity in the market, at a specific date may and therefore differ significantly from the amounts which will actually be received on the maturity or settlement date. The best evidence of fair value of an instrument is a quoted price in an actively traded market for that instrument. The determination of what constitutes an active market is subjective and requires the collation of data and the exercise of judgement. A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

3.12 Fair value measurement (continued)

Where it is concluded that an active market does not exist, a valuation technique is used. The latter gives consideration of transaction prices in inactive markets, however it makes use of other observable market data. The main assumptions and estimates which management considers when using valuation techniques are the likelihood and expected timing of future cash flows on the instrument and a risk premium. The valuation techniques used by the Group incorporate all factors that market participants would consider in setting a price and are consistent with accepted methodologies for pricing financial instruments.

The major application of fair value measurement is adopted for the valuation of Available-for-Sale Investments disclosed in the financial statements under Non-Current Assets. In the absence of Level 1 and Level 2 inputs, the directors have applied Level 3 inputs to value these assets. Observable and unobservable inputs are used in this case, since there is little market activity for the asset at measurement date. The directors developed these inputs using the best information available in the circumstances, including the Group's own data, taking into consideration all information about market participants assumptions that is reasonable available. A combination of valuation techniques were adopted taking into account the current replacement value of the asset and available, unaudited financial data of the underlying assets.

3.13 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to the investment in subsidiary to the extent that the Group's ability to control the timing of the reversal of temporary differences and it is probable that those temporary differences will not reverse in the foreseeable future. Deferred tax assets for the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

3.14 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable for services rendered in the normal course of business, net of value added tax. Revenue is recognized to the extent that it is probable that future economic benefits will flow to the entity and these can be measured reliably. A contract with a customer that results in the recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, the Group first applies IFRS 9 to separate and measure the part of the contract that is within the scope of IFRS 9 and then applies IFRS 15 to the residual. The Group's revenue relates to the sale of held-for-trading investments and the sale of digital assets.

Dividend income from investments is recognised when the right to receive payment is established.

Interest income and expense is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the instrument, or when appropriate, a shorter period to that instrument's carrying amount.

When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the instrument but not future credit losses. The calculation includes payments or receipts that are an integral part of the effective interest rate, transaction costs and all other discounts or premiums.

Generally fee and commission income, is recognised as the related services are performed. Other fee and commission expenses are expensed as the services are rendered.

3.15 Administrative expenses

Operating expenses are recognised in the profit or loss and other statement of comprehensive income upon utilisation of the service or at the date of their origin.

3.16 Finance costs

Finance expenses comprise interest on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

3.17 Borrowing costs

Borrowing costs include interest on bank overdrafts and borrowings and finance charges on finance leases. Borrowing costs and finance charges directly attributable to the acquisition, construction or production of assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale is capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of that borrowing. All other borrowing costs are recognised as an expense in the profit or loss in the period in which they are incurred.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

3.18 Surplus and deficits

Only surpluses that were realised at the date of the Statement of Financial Position are recognised in these consolidated financial statements. All foreseeable liabilities and potential deficits arising up to the said date are accounted for even if they become apparent between the said date and the date on which the consolidated financial statements are approved.

3.19 Treasury Stock

The Group is allowed to repurchase common stock anytime that it is believed to be beneficial to the Group and its shareholders. The program continues to allow share repurchase in the open market.

The Group can either retire the repurchased stocks or keep them as Treasury stock available for reissuance. When sold these will be reflected as a credit for any additional cash surplus in equity.

Upon issuance of the treasury stock, adjustments will be reflected against Treasury Stock Reserve account, to the extent originally debited, and which would have resulted from the original acquisition of the treasury stock.

3.20 Foreign currency translation

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Euro, which is the Group's functional and presentation currency. Assets and liabilities in foreign currencies are translated into Euro at the rate of exchange ruling at the balance sheet date. Transactions in foreign currency during the period are translated into Euro at the rate of exchange ruling on the date of the transaction. All profits and losses on exchange are dealt with through the profit and loss account.

3.21 Capital management policies and procedures

The Group's capital consists of its net assets, including working capital, presented by its retained funds. The Group's capital management objectives are to ensure its ability to continue as a going concern, to maintain a positive working capital ratio, and to provide an adequate return to shareholders. The Group uses budgets and business plans to set its strategy to optimise its use of available funds and implement its commitments to its primary stakeholders.

3.22 Significant judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable and reliable in the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

3.22 Significant judgement in applying accounting policies and estimation uncertainty (continued)

The main assumptions and estimates are made in estimating the fair value of available-for-sale financial instruments not quoted in active markets. Management is required to make certain assumptions and estimates in arriving at an appropriate fair value, based on the application of valuation techniques that make use of available observable market data. A change in assumptions and estimates could affect the reported fair value of these financial instruments.

4. REVENUE

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Revenue comprises the following:				
Sale of exchangeable note	3,583,675	-	3,583,675	-
Sale of digital assets	6,961	89,713	-	-
Management fee	18,899	-	-	-
	<u>3,609,535</u>	<u>89,713</u>	<u>3,583,675</u>	<u>-</u>

5. FINANCE (COSTS) INCOME

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Bank interest and charges	(509,994)	(272,582)	(507,713)	(272,435)
interest expense on loans	(393,752)	(77,863)	(393,752)	(77,863)
Realised (loss) gain on exchange	(207,416)	359,487	(207,416)	359,487
	<u>(1,111,162)</u>	<u>9,042</u>	<u>(1,108,881)</u>	<u>9,189</u>

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

6. LOSS FOR THE YEAR BEFORE TAXATION

Profit for the year before tax is stated after charging:

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Total remuneration payable to the external auditors:				
- Assurance services	45,400	42,000	43,000	42,000
- Other non-assurance services	7,547	2,112	7,127	-
	<u>52,947</u>	<u>44,112</u>	<u>50,127</u>	<u>42,000</u>
Directors' emoluments:				
- Non-executive director	12,000	12,000	12,000	12,000
- Director's salary as part-time employee	60,000	60,000	60,000	60,000
- Director's salary as full-time employee	63,556	174,368	63,556	174,368
	<u>135,556</u>	<u>246,368</u>	<u>135,556</u>	<u>246,368</u>
Other key management personnel				
- Remuneration as full-time employee	186,784	245,148	177,388	236,019

7. EMPLOYEE COMPENSATION AND BENEFITS

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Salaries, including directors' emuneration:				
Wages and salaries	<u>2,040,937</u>	<u>491,516</u>	<u>398,779</u>	<u>482,387</u>
Average number of employees:				
Managerial and administration	<u>12</u>	<u>3</u>	<u>3</u>	<u>3</u>

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

8. EARNINGS (LOSS) PER SHARE

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Earnings (Loss) per share	0.45	(3.68)	0.45	(3.65)

The earnings (loss) per share have been calculated on the net profit/ (loss) of the Group, as shown in statement of profit and loss, divided by the average number of shares in issue.

Earnings (Loss) per share of the Group was calculated on the loss attributable to shareholders of the Group of € 25,677,810 (2022: loss of € 210,888,021), divided by average number of shares of 57,217,500.

Earnings (Loss) per share of the Holding Company was calculated on the profit attributable to shareholders of the company of € 25,775,778 (2022: loss of € 208,794,147) divided by average number of shares of 57,217,500.

9. TAXATION

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Comprising:				
Deferred taxation	(1,180,719)	986	(1,179,733)	-
Current taxation	(195,373)	45,475	(195,373)	-
Tax (income) expense	(1,376,092)	46,461	(1,375,106)	-

The tax effect at the applicable tax rate on the accounting result and the tax charge for the year are reconciled as follows:

Loss before tax	(5,182,963)	(6,520,680)	(5,273,936)	(4,380,345)
Tax at applicable rate	259,961	326,034	264,624	219,017
Tax effect on disallowed expenses	(1,074,214)	(511,120)	(701,807)	(219,017)
Tax effect on fair value adjustments	-	106,031	-	-
Tax effect on nontaxable income	187,587	-	187,587	-
Effect of difference in effective tax rate	380,351	-	-	-
Over-provision of tax in previous year	-	125,516	-	-
Prior period adjustment	(1,125,735)	-	(1,125,735)	-
Other tax adjustments	-	-	225	-
Deferred tax not recognized	(4,042)	-	-	-
	(1,376,092)	46,461	(1,375,106)	-

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

10. INTANGIBLE ASSETS

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Digital Assets:				
Cost	17,017,810	817,926	17,017,810	817,926
Change in fair value	6,325,921	-	6,325,921	-
Allowance for impairment	(817,926)	(817,926)	(817,926)	(817,926)
	<u>22,525,805</u>	<u>-</u>	<u>22,525,805</u>	<u>-</u>
Movements during the year:				
Additions	16,199,884	-	16,199,884	-
Fair value change	6,325,921	-	6,325,921	-
	<u>22,525,805</u>	<u>-</u>	<u>22,525,805</u>	<u>-</u>

11. PROPERTY, PLANT AND EQUIPMENT

Group	Computer and other office equipment	Computer software	Total
	€	€	€
Cost			
At 1 January 2022	4,772	46,420	51,192
Additions	8,503	-	8,503
At 31 December 2022	<u>13,275</u>	<u>46,420</u>	<u>59,695</u>
Depreciation			
At 1 January 2022	3,188	41,215	44,403
Charge for the year	2,130	5,205	7,335
At 31 December 2022	<u>5,318</u>	<u>46,420</u>	<u>51,738</u>
Net book value at 31 December 2022	<u>7,957</u>	<u>-</u>	<u>7,957</u>
Cost			
At 1 January 2023	13,275	46,420	59,695
Additions	4,361	-	4,361
At 31 December 2023	<u>17,636</u>	<u>46,420</u>	<u>64,056</u>
Depreciation			
At 1 January 2023	5,318	46,420	51,738
Charge for the year	3,526	-	3,526
At 31 December 2023	<u>8,844</u>	<u>46,420</u>	<u>55,264</u>
Net book value at 31 December 2023	<u>8,792</u>	<u>-</u>	<u>8,792</u>

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Computer and other office equipment €	Computer software €	Total €
Cost			
At 1 January 2022	4,171	43,725	47,896
Additions	8,503	-	8,503
At 31 December 2022	12,674	43,725	56,399
Depreciation			
At 1 January 2022	2,738	38,520	41,258
Charge for the year	1,979	5,205	7,184
At 31 December 2022	4,717	43,725	48,442
Net book value at 31 December 2022	7,957	-	7,957
Cost			
At 1 January 2023	12,674	43,725	56,399
Additions	4,361	-	4,361
At 31 December 2023	17,035	43,725	60,760
Depreciation			
At 1 January 2023	4,717	43,725	48,442
Charge for the year	3,526	-	3,526
At 31 December 2023	8,243	43,725	51,968
Net book value at 31 December 2023	8,792	-	8,792

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

12. INVESTMENT IN SUBSIDIARIES - Company

	2023 €	2022 €
Cost		
As at 1 January	200,240	240
Additions during the year	2,707,407	200,000
Impairment	(2,530,181)	-
As at 31 December	377,466	200,240

Subsidiary and its registered office	Number, class & nominal value of shares held	Percentage of issued shares held
Samara Advisory Limited Beatrice, 66 & 67, Amery Street, Sliema, SLM 1707, Malta	1,199 ordinary 'A' shares of €1 each, 20% paid-up	99.9%

The financial statements of Samara Advisory Limited (formerly Cryptology Advisory Limited) prepared using the IFRSs as adopted by the EU and have been audited in accordance with International Standards on Auditing.

The share capital and reserves of Samara Advisory Limited (formerly Cryptology Advisory Limited) at the balance sheet date stood as follows:

	2023 €	2022 €
Ordinary share capital	240	240
Retained earnings	(178,227)	(117,104)
	(177,987)	(116,864)

Subsidiary and its registered office	Number, class & nominal value of shares held	Percentage of issued shares held
Iconiq Lab U.S Accelerator Inc 1890 Seventh Avenue, 2A, New York NY 10026 USA	4,500,000 ordinary shares of \$ 0.00001 each	100%

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

13. DEFERRED TAXATION

	At 1 January 2023	Recognised in profit or loss	At 31 December 2023
Group			
Unutilised tax losses	€1,191,062	€ (1,180,719)	€ 10,343
Company			
Unutilised tax losses	€ 1,190,076	€ (1,179,733)	€ 10,343
	At 1 January 2022	Recognised in profit or loss	At 31 December 2022
Group			
Unutilised tax losses	€1,190,076	€ 986	€ 1,191,062
Company			
Unutilised tax losses	€ 1,190,076	€ -	€ 1,190,076

14. INVESTMENTS AT FVOCI

Quoted equity and other non-fixed income instruments measured at FVOCI:

	Group and Company	
	2023	2022
	€	€
<i>Investments at FVOCI:</i>		
Opening balance	11,775,438	155,109,413
Movements (at cost)	(22,113,261)	15,166,500
Fair Value Movements (Note a)	45,534,719	(158,500,475)
	35,196,896	11,775,438

Unquoted equity and other non-fixed income instruments measured at FVOCI:

	Group and Company	
	2023	2022
	€	€
<i>Investments at FVOCI:</i>		
Opening balance	159,323,832	251,504,146
Movements (at cost)	(67,013,238)	(46,266,987)
Unrealized gain on exchange	(425,630)	478,529
Fair Value Movements (Note a)	(19,010,190)	(46,391,856)
	72,874,774	159,323,832

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

14. INVESTMENTS AT FVOCI (continued)

Total Quoted and Unquoted equity and other non-fixed income instruments measured at FVOCI:

	Group and Company	
	2023	2022
	€	€
Total Quoted investments	35,196,896	11,775,438
Total Unquoted investments	72,874,774	159,323,832
	108,071,670	171,099,270

a. Fair Value Movements

The fair value basis measurement of quoted investments has been determined on the basis of Level 1 inputs, being the quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date. The fair value of the investment at the reporting date increased from € 12 Million at year end to €35 Million at the reporting date.

The fair value basis measurement of unquoted investments has been determined on the basis of Level 3 criteria. The investment group classification method has been used whereby assets were sub-divided between classifications of sub-groups and analysed on basis of observable and unobservable market data. Management is required to use its own assumptions regarding unobservable inputs because there is little market activity and is unable to corroborate the related observable inputs. Unobservable inputs require management to make certain projections about the information that would be used by market participants in valuing assets or liabilities.

The basis has been derived by analyzing the underlying assets in the investee companies through a combination of valuation techniques. In applying the valuation technique, management also adopted other criteria to factor market changes in the underlying assets and other sensitive market variations in the valuation.

The data sensitivity analysis was carried out from unaudited sources but was independently extracted from information provided by third parties and management representations. Other observable market information was obtained and the valuation technique models were compared to other observable market information as follows:

- i. Share prices of other share transfers effected subsequent to the Group's acquisition of shares, representing the price buyers in the market are willing to pay for the shares in investee companies;
- ii. Shareholders' reports prepared by Management confirming the price the investee company is willing to offer for the investment. These represent price indicators to investors from valuation techniques performed by Management;
- iii. Share buy-backs by the investee companies offering existing holders the option to sell the shares; and
- iv. Net Asset Value techniques on investee companies arriving at the share base.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

14. INVESTMENTS AT FVOCI (continued)

a. Fair Value Movements (continued)

On this basis, valuation techniques were carried out on the financials of the investee companies and data inputs were affected to consider future cashflows and other market available information. In determining the fair value, we analysed the underlying assets, and impairment tests were provided on the sub-classifications of assets to take into account the inherent variations and volatility of the balances.

In carrying out the above analysis we determined the Net Asset Value and compared to observable inputs disclosed above, including share prices for other share transfers effected. This could only be applied if the observable market data and share prices for similar investors investing in the same investee companies could be substantiated to underlying company valuations and future company potential.

The fair value movements included in the quoted investments amounted to an increase of € 45,534,719 (2021 — decrease of € 158,500,475). The fair value movements included in the unquoted investments amount to a decrease of € 19,010,190 (2021 — decrease of € 46,391,856). Quantitative and qualitative information about unobservable inputs and assumptions are also used.

b. Asset-Managed Investment

The Asset-Managed Investment as disclosed in the investments at FVOCI is represented by a corresponding exchangeable note included within non-current liabilities under Note 18 to the financial statements to the equivalent amount.

The fair value of the Asset-Managed Investment was calculated solely for the scope of determining a potential future unrealized gain, using the same valuation techniques applied for the other investments held by the Company. The exchangeable note can be exercised within a period of five years against the Asset-Managed Investment.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

15. OTHER CURRENT ASSETS

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
<i>Quoted and unquoted virtual currencies</i>				
Opening balance	8,542	2,008,489	8,542	8,542
Additions	6,961	417,557	-	-
Disposals	(20,552)	(296,882)	(8,542)	-
Fair value movements	5,049	(2,120,622)	-	-
	-	8,542	-	8,542

Virtual currencies are classified as other assets and recognized at fair value. Fair value changes in the carrying amount are recognized in the statement of comprehensive income.

16. TRADE AND OTHER RECEIVABLES

	Group		Holding	
	2023	2022	2023	2022
	€	€	€	€
<i>Amounts falling due after more than one year:</i>				
Other receivables	931,766	931,766	931,766	931,766
	931,766	931,766	931,766	931,766
<i>Amounts falling within one year:</i>				
Amounts due from subsidiary (note a)	-	-	159,397	97,180
Loan advances to (note b):				
Related party	7,363,403	500,000	7,363,403	500,000
Third party	-	2,822,257	-	2,822,257
Convertible Notes (note c)	100,000	100,000	100,000	100,000
Amounts due from related parties	273,285	281	120,468	-
Taxation refundable	119,070	-	118,236	118,236
VAT recoverable	40,097	18,694	40,097	17,695
Prepayments and accrued income	123,657	645,977	123,657	645,977
	8,019,512	4,087,209	8,025,258	4,301,345

Notes:

- Amounts due from subsidiary are unsecured, interest free and repayable on demand.
- Loan advances to related party and to third party are unsecured and are repayable within one year.
- Convertible notes consist of € 100,000 which represent a convertible note which bears interest at the rate of 10% per annum.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

17. SHARE CAPITAL AND RESERVES - Group and Company

(a) Share Capital

	2023 €	2022 €
<u>Authorised</u> 64,000,000 Ordinary shares of € 0.05 each	3,200,000	3,200,000
<u>Issued, allotted and 100% paid up</u> 57,217,500 Ordinary shares of € 0.05 each	2,860,875	2,860,875

(b) Share Premium

Opening and closing balance	54,053,895	54,053,895
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(c) Treasury stock

Opening balance	81,118	-
Increase during the year	264,435	81,118
Issuance of treasury stocks	(242,712)	-
Closing balance	102,841	81,118

(d) Treasury stock reserve

Opening balance	3,616,691	-
Increase during the year	8,828,859	3,616,691
Issuance of treasury stocks	(7,182,008)	-
Closing balance	5,263,542	3,616,691

Note:

During an Extra-Ordinary General Meeting held on 30 May 2022, the members present resolved to acquire, in its own name, the Group's shares subject to the following conditions:

- Maximum quantity of shares shall not exceed 10% of the issued shares;
- Authority to acquire own shares shall be valid for 18 months; and
- Maximum price to buy-back the shares shall not exceed €80 per share.

In 2022, the Company had acquired a total of 1,622,377 own shares at a total price of € 3,697,809. An amount of € 3,616,691, representing the excess above par value, was reflected as treasury stock reserve.

During 2023, the Company had acquired a total of 2,632,530 own shares at a price of € 9,093,284. During the year, the company reissued a total of 2,198,080 own shares for a total price of € 7,424,720. As of 31 December 2023, an amount of €5,263,542, representing the excess above par value, was reflected as treasury stock reserve.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

17. SHARE CAPITAL AND RESERVES - Group and Company (continued)

e. Fair value reserve

Fair value reserve represents the accumulated changes in fair value of the company's investments at FVOCI and intangible assets. Upon disposal of the investments and intangible assets, the related fair value will be transferred directly to retained earnings.

f. Retained earnings

Retained earnings represent the accumulated operating profits after taxation after adjusting for other comprehensive income, resulting in total retained earnings for the group € 42,541,871 (2022 - € 48,000,179) and for the company € 42,568,989 (2022 - € 48,117,283) at year end. This primarily comprises the profit attributable to equity holders.

18. INTEREST-BEARING LOANS

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Third party (note a)	13,333,899	4,404,899	13,333,899	4,404,899

Note:

(a) In 2022, the Company acquired loan from Equities First Holdings, LLC amounting to € 5.1 million. It carries a fixed simple interest of 3.6% per annum. Partial payment has been made during 2022.

In 2023, the Company acquired loan from Amina Bank amounting to € 8.2 million. It carries an interest rate of 7.9% per annum.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Bank overdrafts (note a)	8,225,400	698,112	8,225,400	698,112
Trade creditors	107,941	97,379	101,941	107,958
Taxation (note b)	202,952	7,579	195,373	-
Accruals	251,381	12,976	244,255	106,262
	8,787,674	816,046	8,766,969	912,332

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

19. TRADE AND OTHER PAYABLES (continued)

Notes:

a. Bank overdrafts represent short-term facilities with Baader Bank and Banca Zarattini & Co. SA provided for the purchase of AFS investments. These are pledged over the said investments held by the Group in the respective Banks.

b. Taxation

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Opening balance	7,579	53,054	-	-
Tax charge for the year	195,373	-	195,373	-
Prior period adjustment	-	(45,475)	-	-
Closing balance	202,952	7,579	195,373	-

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

20. NOTES TO THE CASH FLOW STATEMENT

a. Cash from (used in) operations

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Loss before taxation	(5,182,963)	(6,520,680)	(5,273,936)	(4,380,345)
Adjustment for:				
Depreciation	3,526	7,335	3,526	7,184
Interest receivable	-	(669,557)	-	(669,557)
Interest payable	557,128	165,269	557,128	165,269
Fair value movements	(5,049)	2,120,622	-	-
Loans written off	2,316,095	-	2,316,095	-
Impairment loss on investments	7,679,494	-	10,209,675	-
Impairment loss on receivables	-	3,734,214	-	3,734,214
Loss on disposal of intangibles	-	(82,995)	-	(82,995)
Goodwill recognized	-	(200,000)	-	-
Operating profit (loss) before working capital:	5,368,231	(1,445,792)	7,812,488	(1,226,230)
Movement in other assets	13,591	(120,675)	8,542	-
Movement in receivables	(25,408,116)	1,655,088	(25,533,378)	1,655,169
Movement in payables	444,139	65,124	660,800	68,539
Cash (used in) from operating activities	(19,582,155)	153,745	(17,051,548)	497,478

(b) Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Cash at bank	865,331	432,954	676,487	432,954
Bank overdraft	(8,225,400)	(698,112)	(8,225,400)	(698,112)
	(7,360,069)	(265,158)	(7,548,913)	(265,158)

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

21. RELATED PARTY DISCLOSURES

(a) Balances

Amount due from and to related undertakings are disclosed in notes 16 to the financial statements.

(b) Transactions

During the year under review, the Group carried out transactions, in its normal course of the business and on an arm's length basis, with the following related undertakings:

Name of entity	Nature of relationship
Apeiron Investment Group Limited	Majority Shareholder
Apeiron 101 Ltd	Related Undertaking
Apeiron Advisory Limited	Related Undertaking
PreSight Capital Limited	Related Undertaking

The following is the only significant balance with related undertakings having significant control:

	2023 €	2022 €
<i>Receivable from Apeiron Investment Group Limited (A/G)</i>	7,423,403	-

(b) Majority Shareholder and Ultimate Beneficiary Owner

Apeiron Investment Group Limited	Holding %	55 %
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Apeiron Investment Group Limited is a company registered in Malta, with its registered address at 66 & 67, Beatrice, Amery Street, Sliema, SLM 1707, Malta.

The ultimate beneficial owner of Apeiron Investment Group Limited is Mr. Christian Berthold Angermayer, a German National with Passport Number C4YM00ZWL.

22. FINANCIAL RISK MANAGEMENT

By their nature, the Group's activities are principally related to the use of financial instruments. The main activity of the Group is to invest in blockchain-model companies. It is established knowledge that the activities will potentially expose it to a variety of risks, including credit risk, liquidity risk, market risk and currency risk.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

22. FINANCIAL RISK MANAGEMENT (continued)

The Group's risk management is coordinated by the managing Director and the Advisory Board and focuses on actively securing the Group's short to medium term cash flow by minimising exposure to financial risks. The Group's aim is to disclose possible relevant information to enable users of the Financial Statements to evaluate the nature, extent and precautions taken of risks arising from financial instruments to which the Group is exposed at the end of the financial period.

22.1 Credit risk

This represents the risk of loss of principal or loss of interest to be earned from a borrower's failure in repaying debts or else failure to meet contractual obligations. The credit risk arises every time the Group and the Company may want to use future cash flows through the payment of current obligation. In this scenario, the credit risk may be either on the borrower, where an obligation to repay both the principal and the interest accrue in favour of the lender, or to the investor who has placed funds in securities or loaned money where a foreseeable repayment of debt and interest thereon is contemplated.

Credit risk may also be related to an investment's return where yields on bonds correspond to their supposed credit risk. The Group's and Company's exposure to credit risk related to the carrying amount of the current financial assets, recognised at the end of the reporting period, as summarised below:

Class of financial assets — carrying amounts:	Notes	Group		Company	
		2023 €	2022 €	2023 €	2022 €
Other current assets	15	-	8,542	-	8,542
Trade and other receivables (excluding VAT, taxation refundable, and prepayments and accrued income)	16	8,650,454	4,354,304	8,675,034	4,451,203
Cash and cash equivalents	20 (b)	865,331	432,954	865,331	432,954
		<u>9,515,785</u>	<u>4,795,800</u>	<u>9,540,365</u>	<u>4,892,699</u>

During the year under review, the Group and Company held non-cash current assets that were not subject to any risk for liquidating them.

The majority of the traded financial assets and accounts receivables will be eventually liquidated.

Furthermore, the Group continuously monitors defaults of counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's and Company's policy is to deal with only creditworthy counterparties.

The Group and the Company considers that the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for Cash and Cash Equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

22. FINANCIAL RISK MANAGEMENT

22.1 Credit risk (continued)

Exposure to Credit risk on investments at FVTOCI securities and FVTPL virtual currencies

The Group and the Company assesses whether financial instruments have experienced a significant increase in credit risk since initial recognition. When determining whether the risk of default on a financial instrument or a digital asset has increased significantly, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the consultants' historical experience in relation to digital assets and shareholder's historical experience and due diligence and KYC procedures affected on the investee companies. The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- The remaining lifetime probability of default as at reporting date; with
The remaining lifetime probability of default for this point in time that was estimated at the time of initial recognition of the exposure.

22.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

This is an important measure to take cognisance since any assets held by the Group should be saleable when contemplating in generating immediate cash requirements.

In this scenario, the Group does take note of the fact that the market may be illiquid, hence the liquidity risk factor, or quite liquid, hence the financial asset held by the Group will increase in value as there will be no potential capital loss in sight.

At 31 December, the group's and the company's financial liabilities have contractual maturities which are summarised below:

The Group

As of 31 December 2023	Note	<i>Current</i> Due within one year €	<i>Non-Current</i> Due between to five years €
Financial liabilities:			
Interest bearing loans and borrowings	18,19	8,225,400	13,333,899
Trade and other payables (excluding taxation)	19	359,322	-
		<u>8,584,722</u>	<u>13,333,899</u>

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

22. FINANCIAL RISK MANAGEMENT (continued)

22.2 Liquidity risk (continued)

The Group

As of 31 December 2022	Notes	<i>Current</i> Due within one year €	<i>Non-Current</i> Due between two to five years €
Financial liabilities:			
Interest bearing loans and borrowings	18,19	698,113	4,404,899
Trade and other payables (excluding taxation)	19	110,355	-
		808,468	4,404,899

The Company

As of 31 December 2023		<i>Current</i> Due within one year €	<i>Non-Current</i> Due between two to five years €
Financial liabilities:			
Interest bearing loans and borrowings	18,19	8,225,400	13,333,899
Trade and other payables (excluding taxation)	19	346,196	-
		8,571,596	13,333,899

The Company

As of 31 December 2022		<i>Current</i> Due within one year €	<i>Non-Current</i> Due between two to five years €
Financial liabilities:			
Interest bearing loans and borrowings	18,19	698,113	4,404,899
Trade and other payables (excluding taxation)	19	214,220	-
		912,333	4,404,899

The Group and the Company is confident that it will be in a good position to honour its obligations with the bank, through the sale of some of its investments or through leveraging with other bankers. Furthermore, the Group and the Company has support of its related parties. In this respect, the Group did not require immediate cash to execute its activity, hence the liquidity risk was minimal, if at all. Any new investment projects shall be financed in new cash-rounds through fresh capital from new and/or existing members or through bank financing.

22.3 Market risk

Market risk is the risk that the fair value cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. It arises in all areas of the Group's activities and is managed by a variety of different techniques as detailed below.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

22. FINANCIAL RISK MANAGEMENT (continued)

22.3 Market risk (continued)

The objective of the Group and the Company is to manage and control market risk exposures in order to optimise return on risk while maintaining a market profile consistent with the Group's and Company's strategy. The major risk here is the movement of equity prices, particularly in this sector of business. The risk is mitigated by the fact, that management make a selection of investments built from experience and by determining the market risk commensurate with the return on them. Whilst it is Management's responsibility and commitment to focus on such unpredictability of the markets, these are minimized as much as possible. The selected investment portfolio of the Group, with its strong performance and its strong demand, gives the Group and Company confidence of a stable position that is expected to reap even higher results in the foreseeable future.

The Group and Company has also participated in US hedge funds in order to ensure its portfolio is rebalanced. The Group's and Company's Advisory Board is being structured to take these considerations into account and with the sole aim to advise when, where and how to purchase and/or sell financial assets. If one considers the economic factors that were brought into play during the year under review, the Group and Company is acting prudently when carrying out investments in digital assets and is carrying out detailed scrutiny on quality digital assets including Bitcoin and Ethereum. This is being done in the most prudent and strategic way possible in line with the liquidity required by the Group and the Company.

22.3.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in market interest rates. The Group's and Company's exposure to interest rate risk is limited to the variable interest rate of interest-bearing loans and borrowings. Cash and cash equivalents issued at variable rates expose the Group and the Company to cash flow interest rate risk. Management monitors the level of floating rate bank balances as a measure of cash flow risk taken on.

Based on this analysis, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period is to be immaterial, in view of the Group's and Company's limited exposure to bank and borrowings. Through strong business relations with the bank, together with the strong and profitable investments that are being hypothecated, the Group and the Company managed to negotiate a favourable interest rate. Such scenario is expected to continue in the coming months.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

22. FINANCIAL RISK MANAGEMENT (continued)

22.3.2 Currency risk

Exchange-rate risk arises from the change in price of one in relation to another and the fair value or a future cash-flow transaction emanating from the sale or purchase of a financial instrument where exchange rate fluctuations may occur. Since one of its major investments lies across national border and this is predominantly in US Dollars, the Group and the Company recognises that this might create an unpredictable gain or loss. At the reporting rate the exchange date has moved in favour of the Group and the Company.

The Group and Company intends to mitigate currency risk by investing predominantly in Euro and in US Dollars, both of which are stable currencies. Further, during the year under review, the Group and Company has also embarked to invest in hedge funds to mitigate the exposure to risk arising from transactions denominated in US Dollars. The investments held that are denominated in US Dollars are expected to accrue higher returns than the currency risks that may arise.

22.3.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group and the Company is exposed to equity price risks arising from the holding of equity instruments classified either as available for sale or at fair value through profit or loss. The carrying amounts of financial instruments at the reporting date which could potentially subject the Group and the Company to equity price risk are disclosed in notes 13 and 14 to the financial statements. The Group and Company counteracts the price risk by adopting an investment strategy of investing in start-up companies with a potential for growth and consequent increase in their market prices. The major drivers are expected to continue to perform strongly in the future and to increase in value due to their decentralized operations in blockchain models, social media, as well as having the largest data centre in the world.

Such factors are the current driving-force of these companies which are working in a decentralized manner under the present situation.

22.3.4 Other risks

In view of the inherent volatility of the assets invested in by the Group and the Company, the management will take safeguards not to inflate unnecessarily and incorrectly the valuations thereof. Coupled with this approach, there is also risk on fair value computation risk in view of the fact that investees may either not be prompt in providing information or the financial information provided does not carry an independent assurance verification. Consequently, the Management takes responsibility in adopting proper tools in valuing its financial assets.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

23 CAPITAL RISK MANAGEMENT

The Group's and Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders. The Group's and Company's equity, as disclosed in the statement of financial position, constitutes its capital. The Group's and Company's capital structure is monitored by the Directors with appropriate reference to its financial obligations and commitments arising from operational requirements. In view of the nature of its activities, the capital level as at the end of the reporting period is deemed adequate by the Group and the Company.

24 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's accounting policy for determining the fair value of financial instruments is described in notes 2.2.1, 2.2.2, 2.2.3 and 2.2.12 to the financial statements. For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair values measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices unadjusted in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, whether directly or indirectly. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3 inputs are observable inputs for the asset or liability. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs that have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or adjustments are required to reflect differences between the instruments.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

24 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

Basis of valuing financial assets and liabilities measured at fair value:

	Level 1 €	Level 2 €	Level 3 €	Total €
As at 31 December 2023				
Investments at FVOCI	35,196,896	-	72,874,774	108,071,670
As at 31 December 2022				
Investments at FVOCI	11,775,438	-	159,323,832	171,099,270

The instruments classified within Level 3 comprise investments at FVOCI. In this respect, it has to be ascertained whether the financial asset is active or not in the market, hence obtaining financial information from the respective investees.

Whilst acknowledging that valuations only provide an estimate of true value, yet the Group ensures to be closest to accuracy by selecting the best practices in a valuation technique. As contemplated in IFRS 13, the fair value measurement shall assume that a transaction takes place at that date, considered from the perspective of a market participant that holds the financial asset. Therefore, 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 a valuation approach.

During the year under review, the Group held shares that are not easily observable in arriving at fair value. Such shares are not traded in the open market whilst the financial information available from the investee lacks detail. However, the Group holds information where shares are being traded much higher than the original cost. The Group is unable to carry out an exhaustive search to identify the market price but intends to rest on the latest financing-rounds in the investee at a discounted price for prudence sake, together with other observable inputs.

For reasons explained above, the Group has no option but to apply level 3 by making its utmost in maximising the use of relevant observable inputs. In applying level 3, the Group always asks:

- Is there an identical item held by another party as an asset?
- If in the affirmative, the Group will use the market value of the market-participant that holds the identical item;
- The Group, always obtains financial information directly from the investee to compare the Net Asset Value against the market value of the market-participant.

IFRS 13 does not preclude the Group from using our own collected data.

SAMARA ASSET GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

25 SUBSEQUENT EVENTS

The following subsequent events took place:

- Through a resolution passed during the year 2022, the Company continued to repurchase own shares during 2023. An EGM was held on 17th March 2023 where it was resolved to increase the maximum of repurchased shares from 10% to 25% of the issued share capital. During the reporting year, the Company repurchased 434,467 of its own shares. Up till time of reporting, the Company held 2,056,827 with a total market value of €2.88M.
- As already reported in these financials, the Company had purchased on 28th December 2022 a fully owned subsidiary - Iconic Lab U.S. Accelerator Inc. The company purchased had an issued share capital of 4.5million Common Stock at par value of US\$0.00001 per share and is regulated under the laws of Delaware. In turn, Iconic Lab U.S. Accelerator Inc. has sub-subsidiaries.
- During 2024, the Company continued to support its subsidiary (Iconic Lab U.S.) with further injection of funds to meet its operational costs. Such capital contributions to the wholly owned subsidiary are not expected to be repaid by the subsidiary within the short term. SAG, as the holding company, will support the subsidiary in its endeavours to contribute to the enhancement of investment value.
- On 12th December,2023 the Company signed an Agreement with Apeiron Investment Company Limited (AIG) with whom the Company had provided cash loans of €8,441,746, sold investments for €35,795,415 and sold 2,198,080 treasury shares for €3,380,585 to AIG against the purchase of shares in Elevate3 Capital Feeder Fund valued at €47,617,746. Such transaction was fully completed by March 2024.
- At an Extraordinary General Meeting held on 30th January,2024 it was resolved, amongst other things, to increase the authorized share capital of the Company by €2,850,000 representing 57,000,000 'new shares to €6,050,000 representing 121,000,000 shares, at the nominal price of €0.05each.
- At a Board Meeting held on 28th February,2024 the Company directors resolved to allot Ordinary shares to the Malta Stock Exchange plc as custodian of Clearstream Bank Frankfurt at the nominal price of €0.05 each plus a premium of €1.488 for the payment in kind for registering financial assets that will be acquired to amount *circa* €57M.

Independent auditor's report

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To the shareholders of Samara Asset Group plc

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Samara Asset Group plc, set out on pages 6 to 45, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including the material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the group and the company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 (the "Act").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report shown on pages 1 to 5 which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Act.

Based on the work we have performed, in our opinion:

- The information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Act

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of those charged with governance for the financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's or company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the group's or company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the group or the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report to you in respect of these responsibilities.

The engagement partner on the audit resulting in this independent auditor's report is Mark Bugeja.



Mark Bugeja (Partner) for and on behalf of

GRANT THORNTON Certified Public Accountants

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26 June 2024