CURRENC CAPITAL

EQUITY DEFENSE INFRASTRUCTURE - SHORT INTELLIGENCE - TOKENIZATION-as-a-SERVICE

# Short Analysis & Share Tokenization

## DDC Enterprise Limited (NYSE American: DDC)

Short-Interest Forensics - Global Short-Position Estimate - Squeeze Probability - Fair Value - Tokenization Defense Strategy

Prepared by CURRENC Capital | currenc.capital

July 17, 2026

STRICTLY PRIVATE & CONFIDENTIAL - PREPARED FOR THE BOARD AND MANAGEMENT OF DDC ENTERPRISE LIMITED

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# 1. Executive Summary

DDC Enterprise Limited ("DDC" or the "Company") has lost approximately 96.4% of its market value over the last twelve months, falling from a July 22, 2025 peak of US$19.10 to US$0.5410 at the close on July 16, 2026 — a decline that has erased roughly US$875 million of market capitalization even as the Company successfully built one of the world's 30 largest corporate Bitcoin treasuries (2,899 BTC, market value ≈ US$182.8 million). The stock now trades at approximately 0.14× the market value of its Bitcoin holdings alone — a valuation dislocation that is, in our assessment, substantially manufactured by structural short-side pressure embedded in the Company's own financing architecture.

Reported NYSE short interest of 163,316 shares (0.52% of float) badly understates the true bearish positioning. Approximately 40% of DDC's daily traded volume is consistently short-marked, borrow fees run at an 18.5% annualized rate with spikes above 36%, and the Company's US$300 million convertible secured note and US$200 million equity line of credit (ELOC) with Anson Funds create a structural hedging short that does not appear in exchange-reported figures. Applying CURRENC Capital's proprietary global-short methodology (3–5× reported), we estimate the effective global short position at 0.49–0.82 million shares (1.6–2.6% of float), rising to approximately 1.0–1.5 million shares (3.2–4.8% of float) once structural conversion hedging is included.

Our CURRENC Squeeze Probability™ score is 42/100 (Moderate): the elevated cost and scarcity of borrow, a 53% insider-controlled registry, and the Company's US$10 million buyback authorization (≈39% of current market capitalization) create genuine squeeze potential, but the ELOC/convertible issuance overhang currently caps it. Our base-case net-asset fair value is US$2.41 per share — 4.5× the current price — with a bear-to-bull range of US$0.95–4.53 against a US$5.50 analyst consensus.

This report sets out the forensic evidence, identifies the counterparties most likely shorting DDC, and presents CURRENC Capital's four-module Equity Defense Infrastructure — anchored by share tokenization via Securitize — as a 4-week deployable strategy to compress the discount, starve the short trade of borrowable supply, and restore price discovery.

### Key Findings at a Glance

- Price collapse: −96.4% in 12 months (US$18.76 → US$0.54); market cap US$25.7M vs. BTC treasury of US$182.8M — 0.14× mNAV, an ~86% discount to crypto-asset backing.
- Reported short interest 163,316 shares (0.52% of float, ~2.4 days-to-cover) is a fraction of real positioning; CURRENC-estimated global short ≈ 0.49–0.82M shares, ~1.0–1.5M including structural hedges.
- Structural shorter identified: Anson Funds — US$300M convertible secured note + US$200M ELOC + 13F long leg; classic conversion-arbitrage short architecture; Anson previously settled an SEC short-seller probe (June 2024).
- Borrow fee 18.47% APR (intraday spikes to 36.33%; >160% in mid-2025); ~40% average daily FINRA short volume ratio; September 2025 fails-to-deliver spike of ~370,000 shares.
- Dilution engine: shares outstanding up ~15× in 14 months (3.15M → 47.51M) — every issuance event is fresh supply for short hedging and front-running.

- CURRENC Squeeze Probability™ 42/100 (Moderate) — high cost-to-short vs. heavy structural overhang.
- Fair value: base case US$2.41/share (range US$0.95–4.53); analyst consensus US$5.50 — current price reflects ~22% of base-case NAV.
- Recommendation: deploy CURRENC 4-module Equity Defense Infrastructure (Intelligence SaaS, Tokenization/TaaS, DeFi Lending, DEX Listing) within 4 weeks; payment in cash or shares.

*Sources: Yahoo Finance — get_stock_info / get_historical_stock_prices (as of 2026-07-16 close); SEC EDGAR — CIK 1808110 filings; Fintel/Orbisa/IBKR short-data screenshots (client-provided, as of 2026-07-17); DDC press releases June 2025 – July 2026; bitcointreasuries.net (as of 2026-07-17). CURRENC Capital estimates.*

## 2. Company Overview

DDC Enterprise Limited is a Cayman Islands-incorporated, New York-headquartered company listed on NYSE American since November 2023. Founded in 2012 by Chairwoman & CEO Norma Chu (former Head of Equities Research, North Asia, HSBC Private Bank), DDC operates a portfolio of Asian food brands — DayDayCook, Nona Lim and Yai's Thai — across Mainland China, Hong Kong and the United States, and since May 2025 has pursued an aggressive corporate Bitcoin treasury strategy, targeting a Top-3 global position among public Bitcoin holders.

| Profile Item | Detail |
|---|---|
| Issuer | DDC Enterprise Limited (Cayman Islands; foreign private issuer, 20-F/6-K filer) |
| Listing | NYSE American: DDC — Class A ordinary shares; CIK 1808110; non-accelerated filer / EGC |
| Business | Global Asian food platform (RTC/RTH/RTE products) + digital asset (Bitcoin) treasury |
| Share price (Jul 16, 2026 close) | US$0.5410 (−14.4% on the day; 52-week range US$0.52–19.10) |
| Market capitalization | ≈ US$25.7 million |
| Shares outstanding | 47.51 million (post 1-for-25 reverse split, April 21, 2025) |
| Free float | ≈ 29.4–31.5 million shares; insiders hold ≈ 53.3%; institutions ≈ 2.1% |
| Average daily volume | ≈ 105,000 shares (≈ US$60,000/day — severely thin liquidity) |
| Bitcoin treasury | 2,899 BTC (avg cost US$78,204; ≈ US$182.8M at ~US$63,000/BTC); top-28 public corporate holder |
| FY2025 revenue | US$39.2 million, first-time positive Adjusted EBITDA |
| Employees | 42 full-time |

*Source: Yahoo Finance — get_stock_info (as of 2026-07-16); DDC press releases (June 17, 2026; July 1, 2026); SEC EDGAR — company info, CIK 1808110.*

### Financial Snapshot

| Metric | Value (reported) | ≈ US$ equivalent |
|---|---|---|
| FY2025 revenue (food platform) | US$39.2M | US$39.2M |
| TTM net loss | RMB −338M | ≈ −US$47M (BTC mark-to-market & financing costs) |
| Total debt (FY2025 20-F) | RMB 618.7M | ≈ US$86M |
| Cash & equivalents (FY2025) | RMB 151.5M | ≈ US$21M |
| Preferred equity (FY2025) | RMB 230.5M | ≈ US$32M |
| BTC treasury (Jul 2026) | 2,899 BTC | ≈ US$182.8M market value |
| BTC per 1,000 fully diluted shares | 0.060942 BTC | ≈ US$3.85 per share at spot |

*Source: Yahoo Finance — get_financial_statement balance sheet (FY2025, as of 2025-12-31, reported in RMB); DDC press release June 17, 2026. US$ conversions at ~7.16 RMB/USD are CURRENC estimates.*

The financial architecture that matters for this report was built in June–July 2025: a US$26 million equity PIPE at US$10.30/share (Animoca Brands, Kenetic Capital, QCP Capital, Jack Liu, Matthew Liu), a US$300 million zero-coupon 24-month convertible secured note with Anson Funds (first tranche US$25 million), a concurrent US$2 million Anson equity private placement, and a US$200 million ELOC — also with Anson. A US$500 million F-3 universal shelf became effective in July 2025, and in March 2026 Bristol Point Investment Limited (BVI) subscribed 5,627,871 shares at US$2.49 with a 365-day lock-up. These facilities funded the Bitcoin accumulation — and simultaneously hard-wired a structural short into DDC's capital structure.

## 3. Share Price Analysis — The Last 12 Months

DDC's twelve-month chart is a textbook financing-driven unwind. The stock peaked at US$19.10 on July 22, 2025 — three weeks after the Company closed its "up to US$528 million" financing with Anson Funds — and has declined in ten of the following twelve months, surrendering 96.4% of its value. Selling intensified precisely around issuance and hedging windows: the September 2025 fails-to-deliver spike (~370,000 shares) coincided with the first convertible-note drawdown period; the November 2025 collapse (−59% in the month) tracked the share count nearly tripling to 23.3 million; and the June–July 2026 terminal slide to US$0.52 followed continued ELOC/ATM supply against a soft Bitcoin tape.

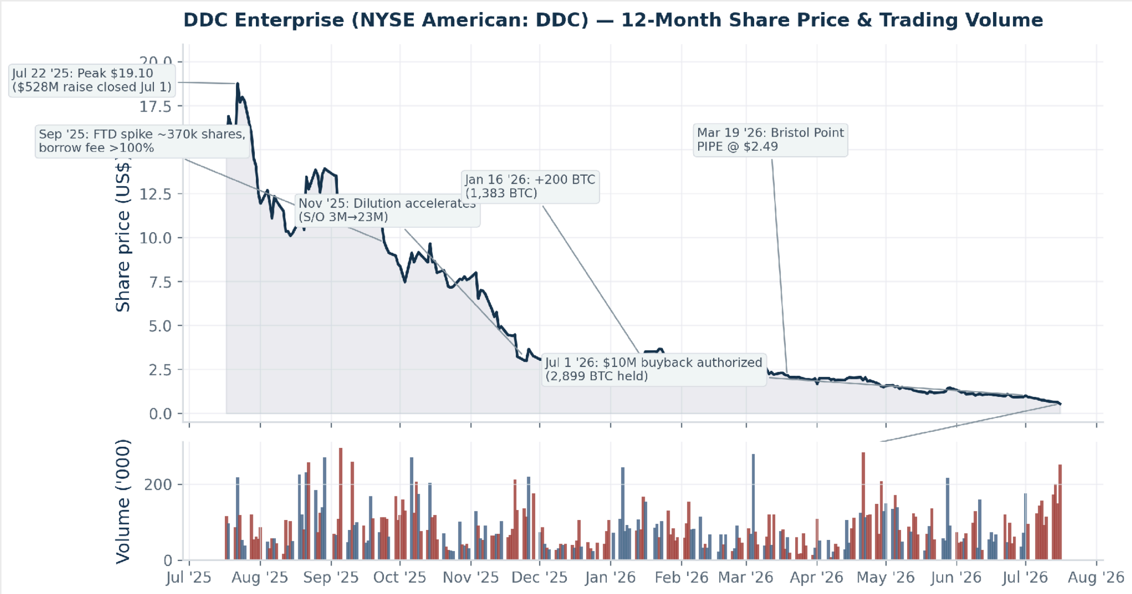


Figure 1 — DDC daily closing price and volume, July 17, 2025 – July 16, 2026, with key corporate events.

*Source: Yahoo Finance — get_historical_stock_prices, 251 trading days (as of 2026-07-16). Event dates: DDC press releases; SEC EDGAR 6-K filings.*

| Period | Price Action | Driver (CURRENC Assessment) |
|---|---|---|
| Jul 2025 | Peak US$19.10 (Jul 22), close month −17.5% | Euphoria on $528M raise; shorts begin building into strength |
| Aug–Sep 2025 | US$14.67 → US$8.30 (−37% Sep) | Convert-arb hedging; borrow fee >100%; FTD spike ~370k shares |
| Oct–Dec 2025 | US$8.35 → US$1.94 (−59% Nov, −33% Dec) | Share count 3× to 23.3M; BTC corrects from ~US$110k; mNAV compression |
| Jan 2026 | Relief rally +30% to US$3.99 | 200 BTC purchase; BTC bounce; brief short covering |
| Feb–May 2026 | Grind down US$2.42 → US$1.08 | Bristol Point PIPE at US$2.49 marks a ceiling; steady ELOC supply |
| Jun–Jul 2026 | US$1.52 → US$0.52 (−46% Jul-to-date) | BTC below US$60k in June; terminal dilution to 47.5M shares; US$10M buyback (Jul 1) ignored |

*Source: Yahoo Finance — get_historical_stock_prices (as of 2026-07-16); drivers are CURRENC Capital's analytical assessment.*

Volume tells the same story: turnover has withered to roughly US$60,000 per day — a liquidity profile in which modest short-side flow can dictate the closing price, and in which traditional institutional support is structurally absent (three 13F filers in total). This is the precise environment in which predatory short strategies are most profitable, and in which a tokenization-led defense is most effective.

# 4. Short Interest Analysis — Reported vs. Global Reality

## 4.1 Reported (NYSE-Official) Short Interest

Exchange-reported short interest currently stands at 163,316 shares (June 30, 2026 settlement) — 0.52% of the 31.48-million-share float and roughly 2.4 days-to-cover. On the surface this looks benign. The history is more instructive: reported SI peaked at 336,260 shares in late August 2025 — 5.04% of the then much smaller float — precisely when the stock began its terminal descent, and has re-accumulated through May–June 2026 even as the price broke below US$1.00.

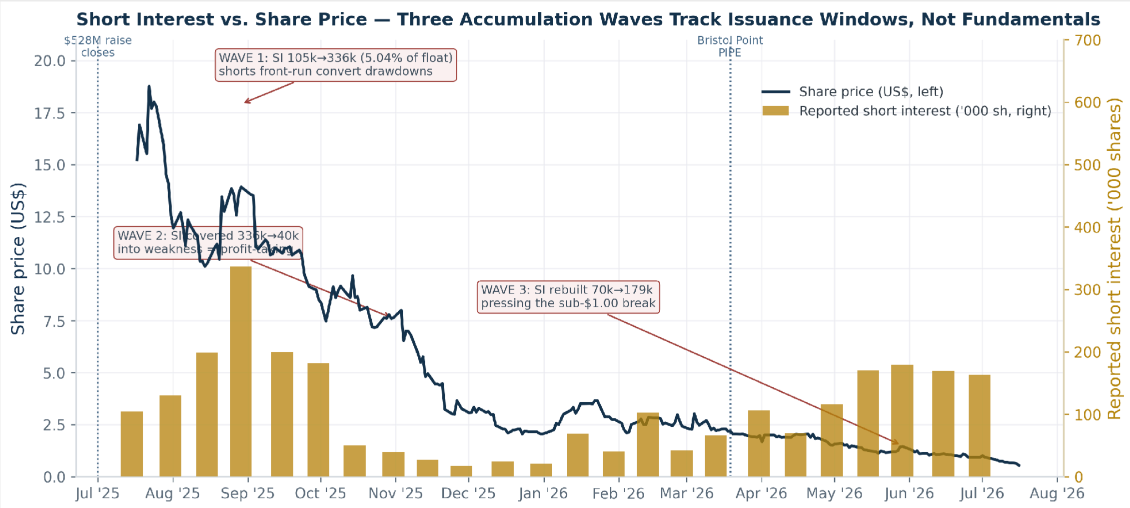


Figure 2 — Reported NYSE short interest (gold bars) overlaid on the share price (navy line): three accumulation waves track issuance windows, not fundamentals.

*Source: official NYSE short-interest settlements via Fintel (client-provided screenshots, as of 2026-07-17); prices per Yahoo Finance — get_historical_stock_prices (as of 2026-07-16).*

**Wave anatomy —** Wave 1 (Jul–Aug 2025): reported SI tripled from 105k to 336k shares — 5.04% of the then 6.7M-share float — in the five weeks after the Anson facility closed, ahead of the steepest leg of the decline. Wave 2 (Sep–Oct 2025): two-thirds of the position was covered into weakness (336k to 40k), textbook profit-taking that confirms trading-short rather than value-short behavior. Wave 3 (Apr–Jun 2026): SI rebuilt from 70k to 179k shares as the price broke US$1.00, pressing the listing-standards vulnerability. The pattern — accumulate ahead of supply, cover into issuance-driven weakness — is the fingerprint of financing-arbitrage shorting.

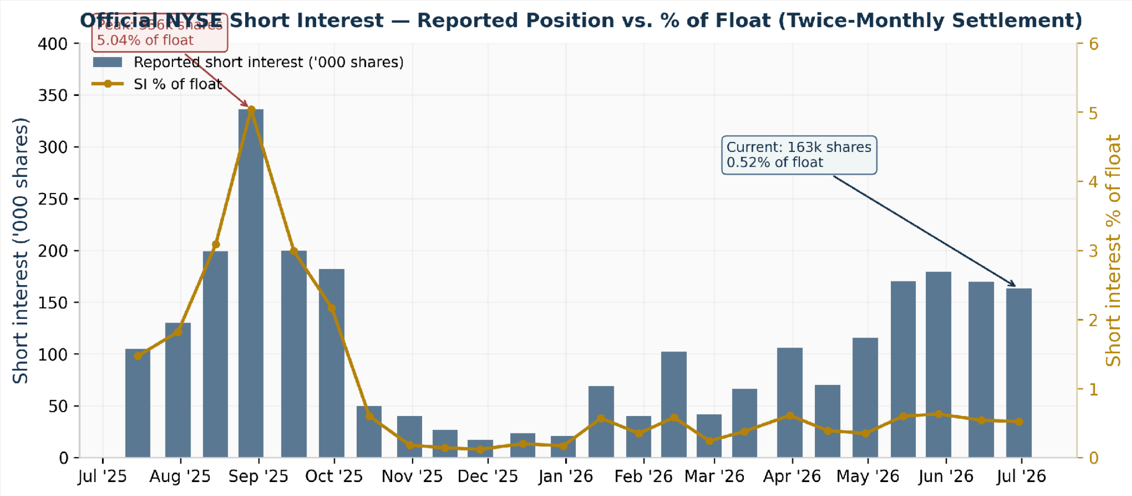


Figure 3 — Official NYSE twice-monthly short interest (bars) and short interest as % of float (line), July 2025 – June 2026.

*Source: Fintel compilation of official NYSE short-interest data (client-provided screenshots, as of 2026-07-17); float data per Capital IQ via Fintel.*

## 4.2 The Real Short — Borrow Market, Flow and Settlement Data

Three datasets reveal what the settlement data hides:

1. **Borrow fee —** the cost to borrow DDC has averaged ≈18.5% APR over the last two weeks (intraday spike to 36.33% on July 6), and exceeded 160% in July–August 2025 — sustained hard-to-borrow economics that only exist where genuine short demand persists. Lenders are being paid equity-style returns to rent out DDC shares.
2. **Flow —** FINRA daily short volume has averaged ≈40% of total volume over the last ten sessions, with two days above 52% — i.e., on a typical day, four of every ten DDC shares traded are sold short.
3. **Settlement —** fails-to-deliver spiked to ~370,000 shares in September 2025 — at the time equal to roughly 4–5% of the entire float — a classic signature of aggressive, possibly naked, short selling around the convertible drawdown window. Recent FTDs have normalized (419 shares at June 30) as the price discovery the shorts sought has been achieved.
4. **Exempt flow —** on July 8, 2026, 50.1% of all short-marked volume was Reg SHO-exempt (24,506 of 48,949 shares) versus a ten-day average of about 8% — a spike in market-maker-exemption usage consistent with a dealer intermediating a block/issuance event and shorting liquidity into it. Exempt shorting creates supply that never appears in short-interest statistics until it fails to settle, and it is the cleanest available tell that distribution — not price discovery — was underway that day.

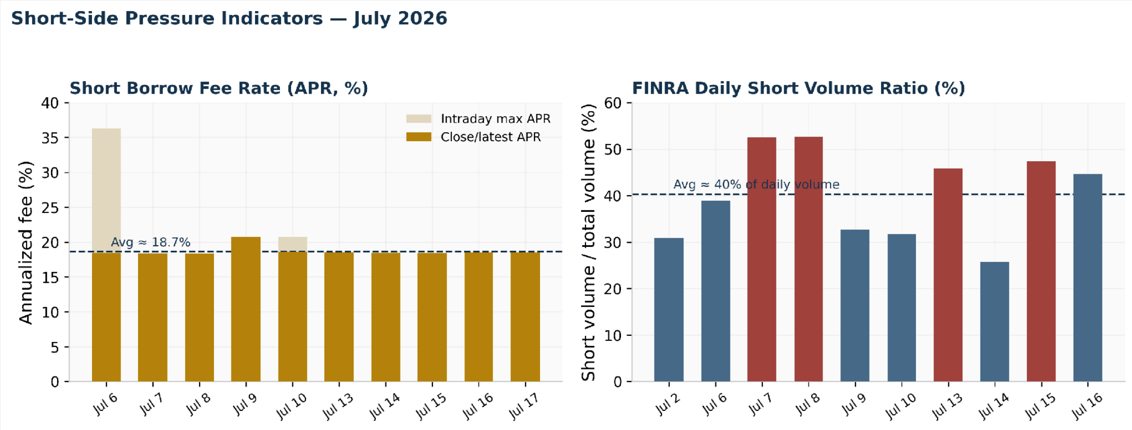


Figure 4 — Short borrow fee rate (APR) and FINRA daily short volume ratio, July 2026.

*Source: Fintel — Short Borrow Fee Rates and FINRA off-exchange short volume (client-provided screenshots, as of 2026-07-17); Orbisa lending metrics: utilization 10.56%, lender depth 1.00, borrower depth 2.00, average loan duration 42.4 days (as of 2026-07-16).*

## 4.3 Short-Side Economics — Carry, Duration and Profit

The borrow market prices DDC as a high-conviction short. At the prevailing 18.47% APR, carrying a US$1 million short costs about US$506 per day (about US$995 per day at the July 6 spike of 36.33%); across the average observed loan duration of 42.4 days, a directional short needs the stock to fall more than roughly 2.2% per holding period merely to break even. Shorts have comfortably cleared that hurdle — DDC declined 10–30% in most months — which is precisely why the fee persists: demand to borrow at 18%+ exists only while the expected decline exceeds the carry. Two structural features matter for defense: (i) lender depth of 1.0 means the locate pool effectively rests with a single institutional lender — a recall event, or a tokenization-driven withdrawal of that supply, reprices the short overnight; and (ii) utilization of 10.56% with 550–700k shares of visible prime-broker availability means the binding constraint today is inventory, not fee — the exact side of the market tokenization controls.

| Economic Parameter | Reading (Jul 2026) | Implication |
|---|---|---|
| Borrow fee (APR) | 18.47% (spike 36.33%; >160% mid-2025) | High-conviction, persistent short demand |
| Daily carry per US$1M short | ≈ US$506 (≈ US$995 at spike) | Shorts need >2% decline per average loan to profit |
| Average loan duration | 42.4 days | Patient, structural shorts — not day-traders |
| Utilization / lender depth | 10.56% / 1.00 | Locate pool concentrated in one lender — recall-fragile |
| Visible locate supply | 550k – 700k shares | Inventory, not price, is the binding constraint |
| Est. reported-short cohort P&L (12M) | ≈ +US$1.3M (CURRENC est.) | A profitable trade its holders will defend; flow-level profits likely multiples higher |

*Source: Fintel short borrow fee rates, short shares availability and Orbisa securities-lending metrics (client-provided screenshots, as of 2026-07-16/17). P&L estimate: CURRENC Capital — average reported SI of ≈120k shares × ≈US$11 weighted price decline, July 2025 – July 2026.*

## 4.4 CURRENC Estimate of Global Short Position

Exchange-reported SI captures only US on-exchange, self-reported positions. It excludes offshore books, synthetics (total-return swaps and CFDs on a US$26-million micro-cap are cheap to write), ELOC and conversion-arbitrage hedges, and fails-related phantom supply. Applying CURRENC Capital's proprietary 3–5× global-short multiplier to the reported figure, and layering in the structural hedge from the Anson facilities:

| Layer | Shares | % of Float | Basis |
|---|---|---|---|
| Reported NYSE short interest | 163,316 | 0.52% | NYSE settlement, Jun 30, 2026 |
| Estimated global short (CURRENC 3–5× rule) | 0.49M – 0.82M | 1.6% – 2.6% | Proprietary multiplier: offshore, synthetics, dark pools |
| + Structural hedge (Anson note/ELOC conversion arb) | +0.5M – 0.7M | +1.6% – 2.2% | Hedge ratio vs. facility drawdowns (CURRENC est.) |
| Effective global short position | ≈ 1.0M – 1.5M | ≈ 3.2% – 4.8% | CURRENC Capital estimate, July 17, 2026 |

*Source: CURRENC Capital proprietary global-short methodology applied to NYSE/Fintel reported data (as of 2026-06-30 settlement) and Anson facility terms per DDC press release (June 17, 2025). Estimates, not exchange-reported figures.*

Interpretation — an effective short of 1.0–1.5 million shares against a stock trading ~105,000 shares a day represents 10–14 days of total market volume. The shorts are not large in percentage-of-float terms; they are dominant in flow terms. Whoever controls the daily supply of DDC paper — and today that is the hedging counterparty to DDC's own financing — controls the price.

**Methodology limitations —** this estimate is deliberately conservative. Exchange SI is published twice monthly on a lag and captures only settled, self-reported US positions; it excludes Reg SHO-exempt market-maker shorts between reports, offshore prime-broker books, total-return swaps and CFDs (trivially cheap to write on a US$26M micro-cap), unhedged ELOC forward sales, and fails-related phantom supply between settlement dates. The 3–5x multiplier is calibrated against DDC's own 2025 stress episodes — when the >160% borrow fee and ~370k-share FTD spike implied real short demand several times the contemporaneous reported SI — and against comparable micro-cap financing-arbitrage situations in CURRENC's dataset. The structural-hedge layer is estimated from facility drawdown timing and typical 40–70% conversion-hedge ratios. Figures in this section are estimates with wide error bands, presented for strategic planning rather than as measurements.

# 5. Institutional Investors — Friends & Enemies

DDC's institutional register is remarkably thin — exactly three 13F filers as of Q1 2026 — which means identity analysis is unusually tractable. Insider ownership of 53.3% (CEO Norma Chu and affiliates) anchors the friendly base; the strategic PIPE investors from June 2025 (Animoca Brands, Kenetic Capital, QCP Capital) are aligned longs; and Bristol Point's March 2026 placement carries a 365-day lock-up. The adversarial side of the register is dominated by one name.

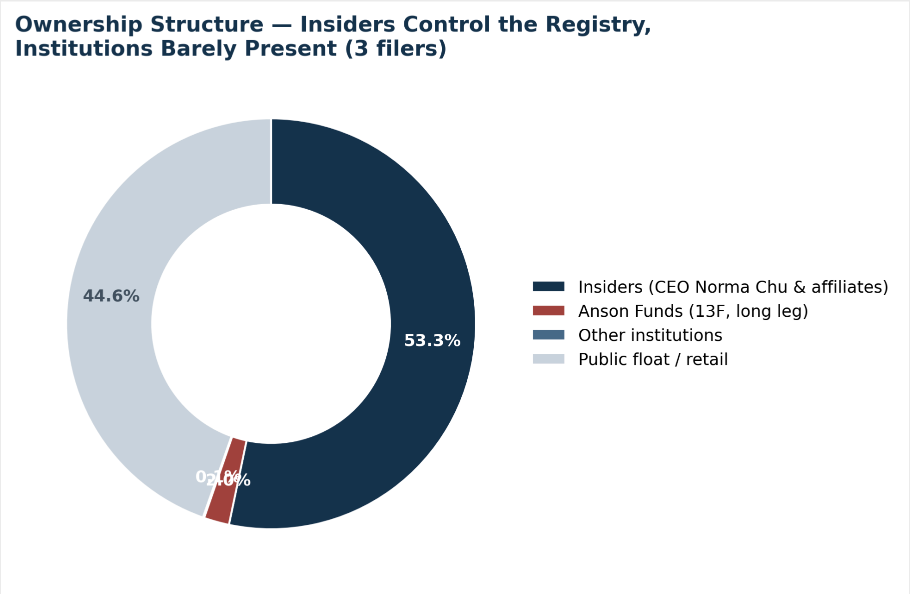


Figure 5 — DDC ownership structure: insiders control the registry; institutional presence is minimal.

*Source: Yahoo Finance — get_holder_info major_holders & institutional_holders (13F data as of 2026-03-31).*

## 5.1 Reported 13F Institutional Holders (Q1 2026)

| Holder (13F, Mar 31, 2026) | Shares | % of S/O | CURRENC Assessment |
|---|---|---|---|
| Anson Funds Management LP | 956,694 | 2.01% | Structural adversary — long leg of conversion arb; see 5.2 |
| XTX Topco Ltd | 16,460 | 0.03% | Neutral — market maker inventory (−19% QoQ) |
| Morgan Stanley | 10,000 | 0.02% | Neutral — custody/prime-broker residual |

*Source: Yahoo Finance — get_holder_info institutional_holders, 13F filings as of 2026-03-31.*

## 5.2 Friends & Enemies Map

| Counterparty | Position / Relationship | Assessment |
|---|---|---|
| Norma Chu & insiders (53.3%) | Founder-controlled registry; aligned with defense strategy | FRIEND — anchor of squeeze math |
| Animoca Brands | US$100M BTC yield MoU (Jul 2025); PIPE investor at US$10.30; Dave Chapman/Yat Siu on DDC advisory council | FRIEND — strategic, crypto-native |
| Kenetic Capital / QCP Capital / J. & M. Liu | PIPE at US$10.30, 180-day lock; BTC-ecosystem funds | FRIENDS — underwater, want defense |
| Bristol Point Investment Ltd (BVI) | 5.63M shares at US$2.49 (Mar 2026), 365-day lock-up | FRIEND (conditional) — locked until Mar 2027; identity opaque |
| Anson Funds (US/Canada) | US$300M convertible secured note + US$200M ELOC + US$2M equity; 13F long 956,694 shares | ENEMY — structural: profits from conversion-hedge shorting and discounted ELOC issuance; settled SEC short-seller probe for US$2.25M (Jun 2024) re: payments to activist short publisher |
| Anonymous offshore / BVI vehicles | Synthetics, CFD shorts, borrow via offshore primes | ENEMY — unquantifiable without on-chain transparency |
| Quant / HTB short funds | Paying 18–36% borrow APR; momentum algos on broken micro-caps | ENEMY — opportunistic, would cover on a real squeeze |

*Sources: DDC press releases (June 17, 2025; July 10, 2025); SEC EDGAR 6-K (March 20, 2026); Institutional Investor (June 2024) on Anson–SEC settlement; Yahoo Finance 13F data. Assessments are CURRENC Capital's analytical opinion.*

The central paradox of DDC's register — its largest institutional "holder" is also the counterparty best positioned to profit from its decline. The convertible secured note is zero-coupon: Anson's return comes from conversion economics, which improve as the share price falls and as more shares are issued. The ELOC compounds this: discounted shares are sold to Anson into the market, hedged short beforehand, and covered with the newly issued paper. Every dollar DDC drew to buy Bitcoin between September 2025 and June 2026 was mechanically accompanied by fresh short-side supply. This is not a conspiracy; it is the arithmetic of the financing documents — and it is the single most important problem tokenization solves.

# 6. Why DDC Is Being Shorted

1. **Structural conversion-arbitrage —** the US$300M zero-coupon convertible secured note and US$200M ELOC with Anson create a mechanical hedge-short: shares are sold short against future conversion/ELOC issuance, and the short is covered with newly issued discounted stock. Profit is extracted from dilution itself.

2. **A 15× dilution engine —** shares outstanding grew from 3.15M (May 2025) to 47.51M (June 2026). Predictable, recurring issuance is a short seller's highest-confidence trade — front-run the press release, short the strength, cover into the discounted placement.

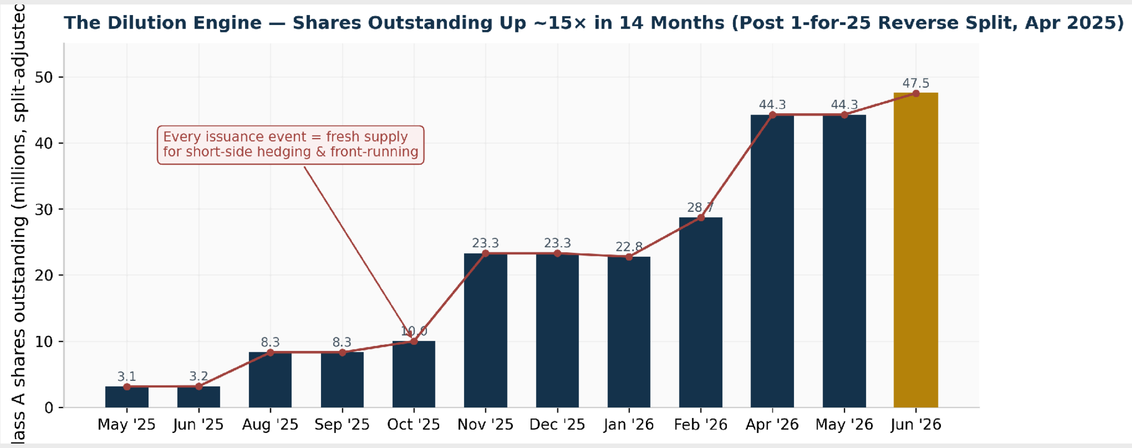


Figure 6 — Class A shares outstanding (split-adjusted), May 2025 – June 2026. Source: official NYSE short-interest settlement tables (shares-outstanding column) via Fintel, as of 2026-06-30.

3. **Bitcoin beta unwind —** DDC ran to US$19.10 as a high-beta BTC proxy when Bitcoin traded above US$110k; with BTC round-tripping through ~US$60k in June 2026, mNAV compressed across the entire treasury-company sector and DDC — the smallest and most levered to issuance — was shorted as the sector's weakest link.

4. **Micro-cap liquidity asymmetry —** ≈US$60k/day of turnover means a short can move the price 5–15% with trivial capital; 42 employees, three 13F filers and no meaningful research coverage (2 analysts) mean there is no institutional bid to lean against.

5. **Listing-standard jeopardy —** a US$0.54 price flirts with NYSE American low-selling-price rules; the market is pricing a second reverse split (the first was 1-for-25 in April 2025) — and reverse splits in diluted micro-caps are historically followed by renewed shorting.

6. **Reported-loss optics —** a ≈US$47M TTM net loss (Bitcoin mark-to-market and financing costs) screens as a distressed fundamentals short even though the operating food business turned Adjusted-EBITDA positive in FY2025.

7. **Narrative capture —** with the borrow fee at 18–36% APR and utilization data thin, short-side commentary ("death-spiral financing", "doomed BTC treasury") faces no organized rebuttal — the Company has no real-time short-intelligence capability and no crypto-native shareholder communication channel.

# 7. Short Squeeze Assessment

CURRENC Capital's proprietary Squeeze Probability™ model scores DDC at 42/100 — MODERATE. The ingredients for a violent squeeze exist (an 18–36% borrow fee on a tiny float, 53% insider ownership, lender depth of just one institutional lender, a US$10 million buyback equal to ~39% of the free-float-adjusted market cap, and a sector that can re-rate 5–10× when Bitcoin trends), but they are neutralized today by the ELOC/convertible overhang, which gives the structural short a guaranteed supply of discounted covering shares.

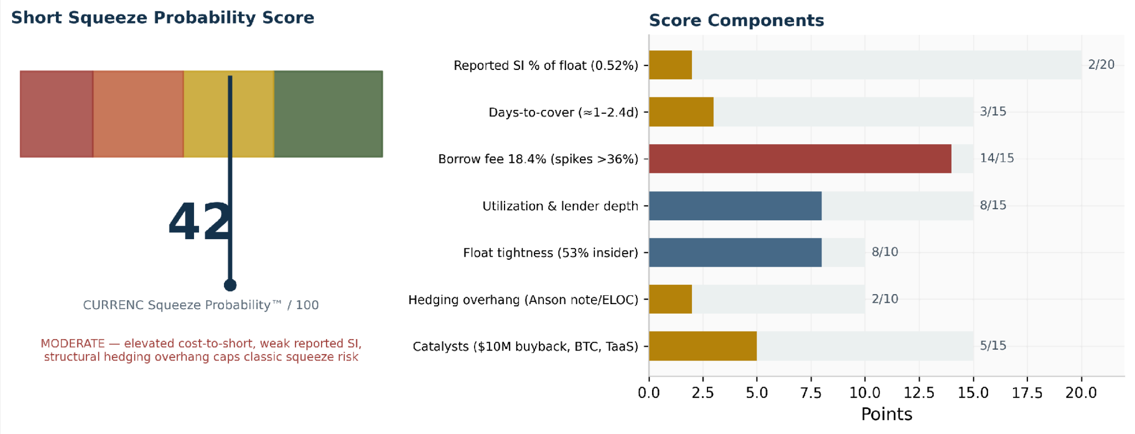


Figure 7 — CURRENC Squeeze Probability™ score and components, July 17, 2026.

*Source: CURRENC Capital proprietary model. Inputs: NYSE/Fintel SI & days-to-cover (as of 2026-06-30), borrow fee & Orbisa utilization (as of 2026-07-16), ownership per Yahoo Finance (as of 2026-03-31), facility terms per DDC disclosures.*

| Squeeze Drivers (+) | Squeeze Suppressants (−) |
|---|---|
| Borrow fee 18.5% avg, spikes to 36%+ — shorts pay ~US$13k/day per million dollars short | Reported SI only 0.52% of float — little forced-covering pressure from the reported number |
| Lender depth 1.0 — a single institutional recall can dry up the entire locate pool | Days-to-cover ≈ 1–2.4 on reported SI — shorts can exit quickly if disciplined |
| Insiders 53.3% — real free float ≈ 22M shares; buyback = ~39% of market cap | ELOC/conversion supply gives the structural short guaranteed discounted covering shares |
| BTC treasury trades at 0.14× mNAV — sector mean reversion upside is extreme | Bitcoin below its 2025 highs; macro risk-off hits high-beta proxies first |
| Tokenization would force share recalls, collapse lendable supply and T+0-settle away the FTD loophole | Without a catalyst, the borrow cost is sustainable for well-capitalized shorts (avg borrow duration 42 days) |
| Flow evidence (≈40% daily short ratio; Jul 8 exempt-volume spike of 50%) shows distribution-driven shorting that reverses violently when supply tightens | Reported SI is a lagging, twice-monthly statistic — the trigger may be underway before it is visible in exchange data |

Trigger map — the score inflects sharply higher (we estimate 65–75/100) if three conditions are met simultaneously: (i) the ELOC and convertible drawdowns are paused or refinanced on non-dilutive terms; (ii) the US$10M buyback begins executing in size; and (iii) 20–30% of the float is tokenized and recalled from the lending pool. That combination converts a flow-dominated short into a trapped short.

# 8. Fair Value Analysis

DDC is, in substance, a closed-end Bitcoin fund with an operating food business attached — and it trades at a deeper discount than any closed-end fund we track. At ~US$63,000/BTC, the treasury alone is worth US$182.8 million, or US$3.85 per share — more than 7× the share price. Deducting debt (≈US$86M) and preferred equity (≈US$32M), adding cash (≈US$21M) and a conservatively valued food business (0.5–1.0× FY2025 revenue, ≈US$20–39M) yields a base-case NAV of ≈US$2.41 per share. The market price of US$0.541 implies either that the treasury will be dissipated, that dilution will continue unabated, or that the listing itself is in jeopardy — all three of which are management-controllable outcomes, not market verdicts.

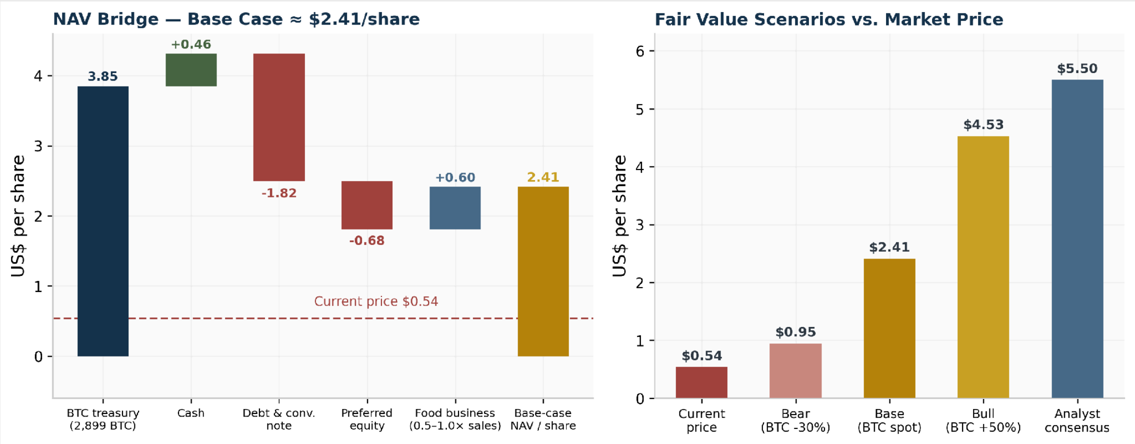


Figure 8 — NAV bridge to base-case fair value (left) and scenario range vs. market price (right).

*Source: CURRENC Capital estimates. BTC at ≈US$63,056 (bitcointreasuries.net mark, as of 2026-07-17); balance sheet per Yahoo Finance FY2025 statements (as of 2025-12-31); analyst consensus per Yahoo Finance (2 analysts, as of 2026-07-16).*

| Scenario | Key Assumptions | Fair Value / Share | vs. Current Price |
|---|---|---|---|
| Bear | BTC −30% (~US$44k); food at 0.5× sales; dilution continues | US$0.95 | +76% |
| Base | BTC spot (~US$63k); food at 0.75× sales; issuance paused | US$2.41 | +345% |
| Bull | BTC +50% (~US$95k); mNAV re-rates toward 0.8–1.0×; squeeze dynamics | US$4.53 | +737% |
| Analyst consensus | 2 covering analysts (high US$8.00 / low US$3.00) | US$5.50 | +916% |

*Source: CURRENC Capital scenario model; analyst targets per Yahoo Finance — get_stock_info (as of 2026-07-16).*

The gap is the opportunity — and the indictment. Even the bear case sits 76% above the market. In our experience this magnitude of discount in a BTC-treasury vehicle is never closed by passive value realization; it is closed by forcing mechanisms: buybacks, recall events, non-dilutive refinancing, and structural changes to how the equity itself trades and settles. That is precisely the toolkit in Section 10.

# 9. Business Prospects

**Operating business —** the food platform generated US$39.2M revenue in FY2025 with first-time positive Adjusted EBITDA and management guidance of US$2–3M net profit for 2025 — small, but genuinely cash-generative, and sufficient to fund the newly authorized US$10M buyback from operating free cash flow without selling a single Bitcoin. The China RTE/RTC category remains structurally growing; the U.S. brands (Nona Lim, Yai's Thai) provide dollar-denominated revenue.

**Treasury strategy —** 2,899 BTC places DDC #28 among public corporate holders globally, with BTC-per-share up 53.3% year-to-date despite the share collapse — management's "BTC yield" discipline is real. The stated ambition (Top-3 global holder) requires roughly 30× the current position; at current market conditions that cannot be financed with equity at 0.14× mNAV without catastrophic dilution. The treasury strategy is therefore functionally gated on fixing the equity's market structure — the strongest internal argument for tokenization.

**Balance sheet runway —** cash ≈US$21M, debt ≈US$86M (including the Anson convertible maturing mid-2027), and a US$500M effective shelf. The Company is solvent and the treasury is unencumbered at current marks, but the convertible's security over assets and the June–July price action show the market does not believe the capital structure is stable.

**Key risks —** (i) Bitcoin drawdown below DDC's US$78,204 average cost would turn mark-to-market losses into impairment headlines; (ii) NYSE American low-selling-price compliance at US$0.54 invites a second reverse split; (iii) continued ELOC issuance restarts the dilution-short loop; (iv) 42-person organization with heavy key-person reliance on the CEO.

**Bottom line —** the enterprise is viable, the treasury is real, and the buyback is a credible first defensive step — but none of it re-rates the stock while the market structure rewards shorting. Business prospects and equity-defense prospects are now the same project.

## 10. Share Tokenization Strategy — CURRENC Value Propositions

CURRENC Capital — a subsidiary of CURRENC Group (NASDAQ: CURR) — provides Equity Defense Infrastructure for listed issuers: a four-module stack deployable in four weeks, payable in cash or shares. For DDC specifically, tokenization is not a technology experiment; it is the direct countermeasure to every short mechanism documented in Sections 4–6. The mechanics:

1. **Eliminate the anonymous short —** tokenized Class A shares (ERC-1400 via Securitize) settle on-chain with full beneficial-ownership transparency. Every share is accounted for at all times; synthetic and naked positions cannot masquerade as genuine float, and the "offshore/BVI vehicles" line of the enemies map becomes visible to the issuer for the first time.

2. **Collapse the lendable supply —** shares held in tokenized wallets are outside the DTC lending pool by default. Recalling even 20–30% of the float into tokenized form against lender depth of 1.0 and a 550–700k-share locate pool would push the borrow fee from 18.5% toward triple digits and force systematic covering — the same mechanics that produced the >160% fee environment of mid-2025, but permanently.

3. **Monetize the borrow for longs, not against them —** through CURRENC's DeFi Lending module, DDC shareholders can lend their own shares on-chain at market rates — capturing the 18–36% APR that today flows to anonymous prime-broker intermediaries — while retaining transparent, auditable ownership. The short's cost of carry becomes the long's yield.

4. **T+0 settlement kills the FTD loophole —** on-chain delivery-versus-payment makes September 2025-style fails-to-deliver (~370k shares) structurally impossible within the tokenized tranche: no delivery, no trade. Phantom supply cannot be printed against tokenized shares.

5. **Open a crypto-native demand channel —** a DEX listing (Jupiter, via Jump Crypto) and stablecoin-collateral utility put DDC equity in front of the 6.5M onshore Chinese US-stock investors and global crypto capital DDC itself identifies as its natural buyer base — 24/7 liquidity that does not depend on three 13F filers.

6. **Refinance the enemy —** a tokenized preferred or BTC-linked convertible, offered to crypto-native credit funds, can retire or out-compete the Anson facility on non-dilutive terms — severing the conversion-arb short at its source and converting the single largest adversary into a repaid creditor.

7. **See the attack forming in hours, not weeks —** CURRENC's Intelligence SaaS module streams DTC borrows, securities-lending utilization heat maps and locate-flow alerts to management daily — converting the twice-monthly settlement report from an autopsy into an early-warning system, and giving the Board hard data with which to answer short-side narratives in real time.

8. **Brand-consistent signal —** for the NYSE's flagship food-to-Bitcoin company, tokenized equity is the coherent next step: it broadcasts technical leadership to exactly the investor base DDC wants, and reframes the news flow from "dilution machine" to "first NYSE-listed BTC treasury with on-chain equity".

## The CURRENC Four-Module Stack for DDC

| Module | Function | DDC-Specific Outcome |
|---|---|---|
| 1. Intelligence SaaS | Short monitoring, DTC/borrow analytics, utilization heat maps, locate-flow alerts | Early-warning on Anson/ELOC hedging windows; board-level weekly short report |
| 2. Tokenization / TaaS | ERC-1400 tokenized shares via Securitize, compliant transfer agent integration | 20–30% of float recalled from lending pool within 60 days; FTD-proof tranche |
| 3. DeFi Lending | Shares as stablecoin collateral; shareholder-directed on-chain lending | Longs capture the 18–36% borrow APR; new utility demand for DDC equity |
| 4. DEX Listing | Jupiter listing via Jump; 24/7 liquidity | Access to crypto-native and Asian retail demand; price discovery beyond NYSE hours |

*CURRENC Capital service architecture. Deployment: 4 weeks end-to-end; compensation payable in cash or shares at the issuer's election.*

## 11. Conclusion & Phased Recommendations

DDC's equity is being priced by its financiers, not its investors. The Company built a US$182.8 million Bitcoin treasury and a profitable food business, and the market values the package at US$25.7 million because the financing architecture used to build it guarantees a permanent, self-funding short. Nothing in the reported SI data will ever show this — which is exactly why the trade has worked for twelve straight months. The counterattack must therefore be structural, not rhetorical: recall the lendable float, tokenize the registry, retire the toxic facility, and give the natural buyer base a 24/7 venue to express demand.

| Phase | Actions | Objective / KPI |
|---|---|---|
| Phase 1 (Wks 1–4) | Deploy CURRENC Intelligence SaaS; begin US$10M buyback execution via 10b5-1; pause ELOC drawdowns; announce tokenization feasibility | Stabilize order book; first weekly short-intelligence report; borrow fee trend |
| Phase 2 (Wks 4–8) | Tokenize 20–30% of float via Securitize (ERC-1400); activate DeFi shareholder lending; launch recall campaign to insiders & PIPE holders | Locate pool −50%; borrow fee >50% APR; effective float visibly shrinking |
| Phase 3 (Wks 8–12) | DEX listing (Jupiter/Jump); refinance or repay Anson convertible with tokenized BTC-linked instrument | 24/7 liquidity live; structural short defunded; Squeeze Probability™ >65/100 → re-rating toward US$2.41 base case |

We would be pleased to present a detailed deployment plan, including the Securitize issuance structure, transfer-agent workflow, and targeted investor-relations execution, to the Board at its earliest convenience. CURRENC Capital is prepared to begin Phase 1 within five business days of engagement, with compensation payable in cash or shares.

## 12. Important Disclaimer

This report was prepared by CURRENC Capital, a subsidiary of CURRENC Group (NASDAQ: CURR), for the exclusive use of the Board and management of DDC Enterprise Limited. It is a strategic advisory document and a solicitation for CURRENC Capital's Equity Defense Infrastructure services — it is not investment research within the meaning of applicable regulations, not an offer or solicitation to buy or sell any security, and not investment, legal, accounting or tax advice.

Data sources include: Yahoo Finance market and holder data (as of July 16–17, 2026); SEC EDGAR filings of DDC Enterprise Limited (CIK 1808110); official NYSE short-interest data, FINRA short-volume data, SEC fails-to-deliver data, Interactive Brokers shortability data and Orbisa securities-lending metrics as compiled by Fintel (client-provided screenshots dated July 17, 2026); DDC press releases and investor materials (June 2025 – July 2026); and public reporting including bitcointreasuries.net, BusinessWire, CoinDesk and Institutional Investor. Estimated global short positions, the CURRENC Squeeze Probability™ score, fair-value scenarios and all counterparty assessments are CURRENC Capital's proprietary analytical estimates and opinions, are not exchange-reported figures, and involve assumptions that may prove incorrect. Statements about identifiable firms' positioning or motives are analytical inferences from public disclosures, not allegations of unlawful conduct. Bitcoin and equity prices are volatile; figures marked "≈" are approximate, and RMB-to-US$ conversions use an approximate rate of 7.16. Past performance does not guarantee future results.

# CURRENC CAPITAL

Equity Defense Infrastructure

Intelligence SaaS · Tokenization (TaaS) · DeFi Lending · DEX Listing

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