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Dear Investor,

It gives me great pleasure writing this investor's report, and I am truly humbled with the opportunity to manage your well-earned funds. Be rest assured you are in good hands. As for me, my funds are invested alongside your own which should say something about my belief of the strategy and current investments held. I also mention that my investment proposition is to invest for the long term, and not be concerned from the mood swings of the market. It goes without saying, if I see signs or learn that any investment thesis is incorrect, I will not hesitate to sell.

I begin with a brief overview of each holding.

Rimini Street "RMNI"

Rimini Street offers third party maintenance and support for enterprise software. Organisations rely on periodic maintenance, upgrades, and support to keep the software running smoothly.

Traditionally the software vendors provided this service at very high annual fees also customers were not impressed with the service provided. Rimini is the leading 3rd party provider of software maintenance and offers better service at a fraction of the price.

The company has been in litigation with Oracle for many years. Oracle claims that Rimini infringed on their IP etc. In the most recent judgement 23 of 24 claims against Rimini were dropped and the only claim that had any merit was as innocent infringement of how they deployed their services which has already been rectified. Final rulings are due 2022. The litigation has been a distraction to management over the past few years, but now management are laser focused with growth in the coming years.

Current annual recurring revenue rate is \$350Million. Recently, management released a 5-year road map targeting a \$1Billion annual revenue rate by year 2026, with operating margins of 20%. Thinking differently, we should expect to see top line growth of 21% annually. Current market cap (company valuation) is \$530Million, with no debt.

Essentially, we are paying today 2.5x free cash flow for a solid business that in 2026 should be valued at no less than \$3Billion!

Franklin Covey "FC"

Specialising in organizational performance improvement. They help organizations achieve results that require lasting changes in human behaviour. There is high demand for such a service. The numbers say it all. One such client enrolled a handful of their employees to a course, and were so impressed they have now enrolled the entire workforce.

Over the last 5 years 'FC' have been transitioning their customers from basic one-off contracts to a subscription-based model, which in turn increases revenue visibility and stability. Another advantage to the model is the ability to upsell other products, with success. When an organisation signs up, they do not just receive access to one specific course. They have access to the full suite of services what 'FC' call 'AAP' - All Access Pass. This offers compelling value to the user.

The company enters multiyear non-cancellable contracts that are paid upfront annually.

This transition to subscription model impacted revenue growth but now more than 40% North American contracts are multi-year, and 82% within this region is subscription-based revenue. Going forward revenue will continue to grow, based on several reasons.

Quote unquote: "In the coming quarters and years we expect three factors to continue to drive significant growth in subscription and subscription service sales and profitability.

1. driven by growth in All Access Pass, we expect substantially all the Company's sales to be subscription based within 3-4 years.
2. we expect the already significant lifetime customer value of our All Access Passholders to continue to increase.
3. we expect the volume of new All Access Pass logos to grow significantly as we continue to aggressively grow our sales force and licensee network. As the almost complete conversion to subscription and subscription services revenue occurs, we expect virtually the entire Company to be able to generate the same kinds of growth in revenue, gross margins, revenue retention, and customer impact we have seen in our North American subscription business over the past five years.

In the most recent earning release (30th June 21) earnings surpassed managements previous assumptions.

The company at 30th June was valued at \$440M and revenue run rate is appx \$220M with gross margins increasing from 72.3% to 78.2% from the same quarter in 2020, I see the ability to further scale in the coming years.

Management owns a fair amount of shares in the company, there is zero debt and over \$30million in cash, the outlook is positive.

KASPI "KSPI"

Kaspi is a super app based in Kazakhstan. A gateway to the Kaspi super app ecosystem. Users can access Kaspi payments, marketplace & fintech. The popularity of the app has helped each platform achieve market leadership in their respective field.

The Kazak population is appx 19million. in 1st quarter 2021 daily active users hit 10million. Essentially every adult uses this super app.

- **Payments** - In the western world, Visa/Mastercard dominate the payment system. When you pay with your card, Visa charge a small fee, for using their network. Kaspi created their own network from scratch thus eliminating the need for Visa/Mastercard. A total of 151.5 thousand POS systems are active (Mar 21) an increase of 9.4X since Mar 2020. The high growth was possible due to POS systems, being integrated via the vendors mobile phone. Market share of card payments using the Kaspi network is 46% increasing from 9% in March 2020
- **Market Place** - Like any other market place (Ebay/Amazon) requires a healthy number of merchants & customers. Active Merchants have grown to 36.6 thousand and 3.3million for active consumers. Kaspi collect an average of 8.2% of all sales through the marketplace. Revenue jumped 105% from Mar 20 Qtr to Mar 21 Qtr
- **Fintech Platform** - Enables customers to manage their personal finances online and access consumer finance and deposit products via their app. Buy now pay later products are also strategically integrated around the product and merchant selection and on the marketplace platform.

The company has gross margins close to 70% and net margins over 34%. Management forecast growth of over 30% next year and I don't see much of a slowdown on these numbers. Kaspi continually add more features and further revenue channels.

For example, a recent tuck in purchase was an online travel app for trains etc. Prior to this purchase appx 40,000 tickets were being sold annually via this company. Within the first 3 months of being integrated within the Super app, over 36,000 tickets were sold, and by quarter end Mar 21' 98,000 tickets were sold to reach a market share of 20%. Kaspi own a marketplace for new & used cars (like Auto trader) and a real estate platform. They are expanding their super app to the neighbouring countries such as Azerbaijan.

CEO Mikhail Lomtadze studied at Harvard Business School. We expect Kaspi to continue making inroads into new services to further create this eco-system super app which in essence is a monopoly.

Berkshire Hathaway "BRK"

We all know Berkshire, run by the famous Warren Buffett. I consider it as cash management. This investment is temporary by nature. The alternative to holding cash until a suitable investment is found, in my opinion it makes sense to invest 10% of your funds into an extremely low risk quality business, with the hope of creating some return, in the interim.

North Media "NORTHM"

FX rate GBP/DKK appx = 8.67

Based in Denmark. A pure value play. How do I mean.

The company is valued at under 10 times earnings, approximately 5% of the current company valuation is held in cash, and over 25% of current company valuation consists of a stock investment portfolio of high-quality names. So, we are investing in a company for 70 cents on the dollar, with a current dividend yield of over 4%, & not to mention a very profitable operating business.

The company has two divisions.

FK Distribution - The last mile distributor. Local newspapers and leaflets still play a dominant role in bringing offers and information to the Danish population. The main media when it comes to attracting consumers to brick-and-mortar stores are, by order of importance, **leaflets**, TV adverts, local newspapers, and daily newspapers. Distribution of direct mail to about 2.8 million households.

Due to the internet, paper distribution is decreasing to some degree year-on-year, but North Media has the monopoly. Recently the national postal service stopped the leaflets distribution. Each year North Media increase the cost of their service to compensate the decrease in leaflets being distributed. Revenue has visibility- due to contracts ranging from 1-2 years. Operating margins are stable at 25%

- Digital services
 - Bolig Portal, Denmark's leading home rentals platform, offering services to both landlords and tenants.
Revenue is 8% of total revenue and growing appx 15% next year. Operating margins at 30%

- Ofir, is Denmark's most comprehensive jobs universe, used by about 900 employers to post job vacancies. With revenues only 2% of total, breaking even, Ofir is also set to grow at 25-30% this coming year.
- Bekey delivers digital access solutions for stairwells and private homes. Users include home care staff in Denmark and Norway and companies delivering groceries, parcels, meal services, etc. Revenue is 2.6% of total company turnover. Revenue growth slowed due to covid, though will grow appx 20% on a yearly basis. Installers had limited access to install within new premises due to Covid restrictions.

The Bekey business is very promising. Bekey develops and supplies digital access solutions which currently give some 32,000 approved users easy access to secured multi-storey buildings and private homes.

Bekey's solution is to install a chip (SmartRelay) in the entry phones of secured stairwells or, in private homes, to mount a SmartLock unit at the door lock. The SmartKeyBox is also opened using a mobile phone. With digital keys, users avoid the hassle of managing and carrying physical keys or having to drive to a secured property in vain. As an extra safety feature, the digital keys cannot be copied or lost, and a complete log of all activity on any Bekey solution provides a full overview of place, date and time of all users gaining access and leaving. User access may be allocated/revoked with immediate effect.

Currently the primary market is homecare, and Bekey is the the only company providing this service.

Once they cover many Cities/Country, they have plans to monetise. Example - suppose you order an Amazon package; the delivery guy would have access to the building and Amazon would pay a small fee for you of the digital key. This saves the drivers time and saves the driver having to return if the homeowner was not available to answer.

I have elaborated five of our holdings, and I won't go into detail of the other companies, that we hold.

I remind myself that we will endure short-term volatility and will continue to ignore it. You may ask why?

1. We have a concentrated portfolio, so volatility is expected.
2. 40% of our holdings are US based. Since 2020 the Fed ramped up its capital injection into the economy/stock market and as a result there is an abundance of cash looking to be invested, causing many investors to seek higher yielding assets such as stocks and keep pushing up prices.
3. Interest rates are at an all-time low, which also increases the value of assets, but as soon as the Fed mention rate hikes, the market panics.
4. Any hint of negative news causes jitter in the markets.

5. Also we have troops of young and inexperienced “investors” gamblers that may be adding to the hysteria of some stocks.

You will receive an overview of your portfolio on the 15th/16th July.

I look forward to issuing my next letter later in the year and please contact me if you have any questions.

All the best.

Avrohom Neumann

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