



## Dear Shareholders

The first quarter of 2022 continued upon our success achieved during 2021. Our subscription data business (KEDM) continues to grow and surpassed USD \$2 million in receipts early in the second quarter. Meanwhile, our net cash, digital assets and net marketable securities balance grew to \$37.7 million. More importantly, for the first time since our company was launched, operating income exceeded operating expenses, despite continued operating losses in Mongolia and substantial investments at KEDM. Based on current subscriber trends at KEDM, and a reasonable expectation for renewal rates, we believe that our company will show positive operating income going forward (excluding one-time expenses).

Our goal is to grow operating income, while staying disciplined on the expense line. During 2022, we intend to focus on launching and acquiring new services to broaden our subscription data business, while seeking other businesses that we can acquire all or part of as we grow our Merchant Banking business.

Given our growth plans, our expectation is that our expense line will grow substantially during 2022. This is necessary to invest in future growth. Additionally, we anticipate that elevated legal, tax and corporate structuring expenses will continue during 2022 as we focus on optimizing our corporate structure. Given that insiders own approximately 30% of the shares of this company, we intend to be frugal in our spending, but we must increase spending in order to reinvest and grow.

We now segregate our business lines into three categories (Investment Properties, Subscription Business Products, and Corporate Division (which includes our investment portfolio)).

### **Investment Properties:**

The first quarter of 2022 continued to be difficult for our Mongolian property operations. During the quarter we reported \$204,071 (2021- \$144,421) of leasing revenue and \$30,858 (2021 - \$105,440) of other revenue (primarily 3rd party), offset by \$178,277 (2021- \$209,579) of expenses in Mongolia. Unfortunately, we have zero visibility into the future trajectory of the economic crisis in Mongolia. Until businesses are allowed to operate without interference, we are likely to continue to report depressing returns from our Mongolian operations.

During 2021, we purchased a mixed-use property in Puerto Rico that we are in the process of renovating. We intend to use this property primarily for internal purposes, though we believe we can rent portions of the property to earn rental income.

### **Subscription Business Products:**

KEDM, our subscription business, which tracks various Event-Driven strategies, successfully transitioned into a revenue producing product on July 1st of 2021. During the first quarter, we recognized \$604,677 of revenue at a very healthy margin while taking in \$402,466 of gross subscription receipts. As approximately half of our subscribers subscribed during June of 2021, there will be periods where recognized revenue exceeds subscription proceeds, therefore Gen and I are focused on overall subscriber count and monthly recognized revenue to track the performance of this business.

During the first quarter, recognized revenue and subscriber count continued to increase each month sequentially and has continued to increase into the second quarter. As of the date of this letter, we have taken in over USD \$2 million in subscription proceeds. We intend to aggressively invest resources to improve KEDM and increase the overall value proposition for subscribers. Additionally, given the reception to KEDM amongst readers, we intend to increase our marketing to grow the subscriber base. We believe that these two initiatives will reduce the short-term profitability of the subscription business, however we intend to moderate spending so that the business remains profitable.

Given the success to date of KEDM, we believe that there are ancillary services that we can launch and monetize, providing further value to KEDM subscribers. It is likely that these services will be a cost center as they are conceived and grown, before eventual monetization. To learn more about KEDM, go to [www.KEDM.COM](http://www.KEDM.COM). Additionally, the company is considering acquiring other subscription products that would be complementary to KEDM.

**Corporate Division:**

During the first quarter, our corporate expenses increased primarily due to an increase in legal, tax and corporate structuring expenses. We expect this elevated level of expenses to continue during much of 2022. Additionally, we anticipate that corporate expenses will increase in future quarters as we add staff to help grow our business—particularly related to business development activities and the marketing of KEDM.

Our public securities portfolio produced a \$4,318,099 unrealized gain and a \$4,974,166 realized gain. I would like to caution you strongly that returns like we have recently experienced, are highly unlikely to be repeated in future quarters. Our portfolio is currently concentrated in investments in oil futures and futures options (including fully offsetting futures call option spreads) energy services companies, uranium, and the housing sector. Additionally, we initiated a small position in a cryptocurrency named Monero, that we added moderately to during the first quarter. We view these investments as highly liquid, inflation protected, alternatives to holding cash and we intend to liquidate various investments should we find additional businesses to launch or acquire stakes in.

**Conclusion**

The first quarter of 2022 continued the prior year's successes. We have now incubated and launched KEDM with great success and expect it to become a rapidly growing revenue stream that we can build upon. As we transition into a Merchant Bank, we intend to scale up our staffing, target unique opportunities and continue to profitably diversify our company.

While we remain optimistic about Mongolia's long-term future, it remains mired in economic crisis. As a result, we remain focused on selling non-core property assets (particularly in office and re-development) in order to diversify the company, while keeping our core portfolio and management team, so that we can pivot back to Mongolia if the economy ever returns to attractive growth rates.

During the quarter, the company did not repurchase any shares under its Normal Course Issuer Bid. At quarter end, our share count was 27,778,499 or 22% fewer than during our peak share-count in 2016. To date, the company has repurchased a total of 7,754,100 shares.

We're excited for the future now that we have the financial resources to reinvest.

We're excited for the future.

Sincerely,



Harris Kupperman  
CEO