



Dear Shareholders

The second quarter of 2023 was rather uneventful. KEDM has now reached a stabilized level of revenue and is likely to see net attrition to that revenue rate as churn exceeds new customer growth. Meanwhile, our marketable securities showed a decline for the quarter. Finally, our Mongolian business has seen a slight recovery in revenue as COVID-era discounts expired.

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

Investment Properties:

The second quarter of 2023 continued to be difficult for our Mongolian property operations. During the quarter we reported \$204,576 (2022- \$201,015) of leasing revenue and \$10,715 (2022 - \$54,939) of other revenue (primarily 3rd party), offset by \$166,975 (2022- \$217,803) of expenses in Mongolia. Unfortunately, we have zero visibility into the future trajectory of the economic crisis in Mongolia.

Subscription Business Products:

KEDM, our subscription business, which tracks various Event-Driven strategies, continued to produce income for our company. During the second quarter, we recognized \$849,052 (Q2 2022 – \$790,803) of revenue while taking in \$1,113,637 (Q2 2022 – \$1,682,752) of gross subscription receipts. As noted previously, we believe that KEDM has reached a more mature state and that churn will likely remain above our ability to add new subscribers. We've tried a variety of methods to grow the subscriber base, but a weaker equity market, with reduced returns for investors, has led many subscribers to cancel their subscriptions. Meanwhile, we've struggled to replace these subscribers. That said, we believe that there is a core base of subscribers that will likely continue to renew their subscriptions as they value the data that we provide. As KEDM shrinks into this core base, we believe that overall churn will stabilize at a lower level that is offset by new subscriber additions and we expect that KEDM will remain a profitable business for us.

As a reminder, as of January 1st of 2023, my Registered Investment Advisor, Praetorian PR LLC, is now contracting with MGG to produce KEDM. To learn more about KEDM, go to www.KEDM.COM. Additionally, the company is considering acquiring other subscription products that would be complementary to KEDM.

Corporate Division:

Our public securities portfolio produced a \$685,987 unrealized loss (Q2 2022 – \$4,543,820 unrealized loss) and a \$442,770 realized loss (Q2 2022 – \$1,766,135 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. At quarter end, our portfolio was concentrated in investments in oil futures and futures options (including fully offsetting futures call option spreads) energy services companies, uranium, and a Florida land owner. Additionally, we own a small position in a cryptocurrency named Monero, that we added moderately to during the first quarter of 2023. 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.

It should be noted that due to income tax considerations, we've made the difficult decision to no longer actively trade the portfolio. While active trading was a huge boon to our returns previously, we believe that the tax consequences of earning profits from trading don't outweigh any benefits that we'll receive from trading the portfolio. Therefore, it's likely that overall returns will be dictated primarily by the returns of our existing portfolio. This was a difficult decision as active trading has been so accretive, but the math is the math.

Conclusion

While we remain optimistic about Mongolia's long-term future, it remains mired in an economic crisis. As a result, we remain focused on selling non-core property assets (particularly in office and re-development).

During the quarter, the company repurchased 188,600 shares under its Normal Course Issuer Bid. At quarter end, our share count was 27,307,799, or 22% fewer than during our peak share count in 2016. To date, the company has repurchased a total of 8,467,400 shares.

Sincerely,

A handwritten signature in blue ink, appearing to read 'HK1', is positioned below the word 'Sincerely,'.

Harris Kupperman
CEO