



## TO THE SHAREHOLDERS OF MGG

The year 2024 was quite uneventful. KEDM has reached a stabilized level of revenue and continues to see net attrition to the revenue rate as churn exceeds new customer growth. Meanwhile, our marketable securities showed a net loss for the year, mainly driven by a decrease in value in a number of core securities.

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

Subsequent to the complete disposal of our Mongolian operations, we have four core assets remaining at MGG:

- A Subscription Products Business
- An office property in Rincon, Puerto Rico
- Cash, and net marketable securities
- Canadian Tax assets related to the disposal of our Mongolian subsidiaries

I have on many occasions noted that there are tax and regulatory reasons why we cannot be a publicly traded business where the primary assets are marketable securities. Therefore, we MUST purchase over 25% of an operating business in the very near future. Unfortunately, we have not been able to identify any attractive opportunities, and believe it is unlikely that we will be able to identify a sufficiently attractive opportunity, unless there is a pullback in global asset values. If we cannot find a suitable acquisition in the near future, we will likely choose to liquidate this Company, so as not to burden shareholders with the costs of a public company.

In the meantime, we hope that future gains from our existing marketable securities portfolio can utilize our tax assets, maximizing the after-tax return to shareholders.

### **Subscription Business Products:**

KEDM, our subscription business, which tracks various Event-Driven strategies, continued to produce income for our company. During the year, we recognized \$2,603,175 (2023-\$3,213,395) of revenue while taking in \$2,427,352 (2023-\$2,792,680) of gross subscription receipts, representing a 13% decline in subscription receipts when compared to the previous year. 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 have been unsuccessful in offsetting churn. 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 mostly 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](http://www.KEDM.COM).

### **Corporate Division:**

Our public securities portfolio produced a \$12,199,797 unrealized loss and a \$5,732,592 realized gain during the year. This unrealized loss was primarily the result of prior year unrealized gains reversing, as opposed to losses on new investments. Additionally, some prior year unrealized gains were realized during the year, though at lower prices than at year-end 2023, particularly in uranium, where we have now crystallized a sizable gain on the majority of our position during the fourth quarter of 2024 and the first quarter of 2025.

At year-end, our portfolio was concentrated in investments in offshore energy services companies, uranium equities, and a Florida landowner. 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

Our public equity investments have allowed us to build up our capital resources, and we are in a sound financial position as we plot the next step of this adventure. Gen and I very much want to continue this adventure. We have big plans and even bigger ambitions for this company, as noted by our continued and aggressive insider purchases over the years. Unfortunately, we need to purchase at least 25% of a company, in order to move forward, and given recent global asset valuation increases, we worry that we will not find any suitable candidates. Frustratingly, publicly traded businesses remain a good deal more attractively valued than private businesses, for the first time in my investing career. At the same time, it seems silly to force shareholders to suffer the overhead costs of a public company, if our capital is mostly invested in public securities. As a result, if we cannot find a company to acquire 25% or more of in the near future, we plan to return capital to shareholders.

During the year, the company repurchased 1,175,600 shares under its Normal Course Issuer Bid. At year-end, our share count was 25,700,099, or 27% fewer than during our peak share count in 2016. To date, the company has repurchased a total of 9,832,500 shares.

Sincerely,

A handwritten signature in blue ink, appearing to read 'HK' followed by a stylized flourish.

Harris Kupperman  
CEO