

15 June 2023

To the Shareholders of Unity Investment Partnership JSC:

Dear Shareholders,

As the CEO of Unity Investment Partnership, I am delighted to announce to you that our investment journey officially has begun! The Bulgarian Trade Registry accepted the incorporation of the company and all its shareholders!

I want to use this letter to share the frames in which I (as a Founder and CEO) and our Board of Directors are thinking and also to put some yardsticks, by which you can judge the performance of the company. I believe in putting the standards early because retrospectively, anything can be made to look good in relation to something else. You can expect from us letters, 2 times a year (every 6 months). The purpose of the letters will be to update you on the progress (hopefully) and to carve out the “ground rules” by which we operate and evaluate our potential investments! This process will have a more subtle purpose as well- to attract the shareholders, that are in alignment with our vision and operations and keep away potential investors, that don’t see the investing process like us(we will save each other time and nerves). Since our orientation is genuinely long-term, please, don’t get misguided, by the frequent communication from us- we want you to judge us and the company’s performance, at least on a 3-year basis (that is the bear minimum, so an investment in the type of companies we invest in, can “bear fruits”).

Unity Investment Partnership is an absolute return investment company (I intentionally don’t use the word "fund"). This means that our goal is to generate steady and positive returns, regardless of the direction of the market. However, with every result of the partnership, we will attach the returns of various indexes (mostly the S&P 500), so you have something to compare our results with. The reason is that if we cannot give you some margin of return above the easily accessible indexes for some reasonable time frame (at least 3 years, as we clarified), then Unity is not the best option for you and for us to have our resources invested in, and we should look someplace else.

OWNERS MANUAL

As I mentioned, I believe that everyone, who invests with us or is thinking to do it, should know exactly what we are standing for and what he/she can expect from us and the partnership. That’s why, I will attach the basic guidelines, by which we will operate and we will post them on every other letter, that we write. Here they are:

1. Our structure is corporate, but our attitude is "partnership"!
2. Our long-term goal is to maximize our average annual gain in intrinsic business value per share and we will not measure our performance by the overall size of Unity! Per share progress is what we are looking for!
3. We prefer companies with revenues from 500 000 BGN/EUR to 5 000 000 BGN/EUR, generating free cash flow and historically earning above-average returns on capital.
4. We believe that not every great business is a good investment. A lot of times, the average and obscure business is a hidden gem and a possibility for great returns(that has almost anything to do with the price of the asset). This is the reason why we are looking for opportunities in every sector of the economy.
5. We will be candid in our reporting to you, emphasizing the positives and negatives, important to appraise the business value. We intend to tell the facts, that we would like to know if the roles were reversed and we are on the passive side.
6. Since good business ideas are rare, we will talk openly about our acquisitions, only after they are closed and already part of Unity!
7. Our advantage as an investment vehicle will be a combination of the experience, knowledge, and analytical ability of our Board of Directors and executives, and the long-term view of our partners.

This is a list, that probably will evolve through time, but as a beginning, it gives a good idea to everyone of how we operate.

Overview

The starting of our investment partnership correlates with a very interesting period for the worldwide economy (I am not a macroeconomist and I will not try to make any predictions for the direction of any markets or industry). There are a lot of factors, that can influence an investment decision today. I would like to say, that we don't take any of them into consideration, before making an investment decision, but that would be untrue. The real fact is, in my opinion, that today's markets are very favorable for investing (and starting an investment partnership) and for the people with patience, knowledge, and the right frame of mind, they can be an accelerator of investment returns, rather than a drag for it.

Saying all that, I would like to share some "words of wisdom" from the Oracle of Omaha, Mr. Warren Buffet (one of the greatest investors of our era), which I already shared with our Board of Directors separately. In his last letter for 2022 to the shareholders of his company Berkshire Hathaway Inc., he wrote:

At this point, a report card from me is appropriate: In 58 years of Berkshire management, most of my capital-allocation decisions have been no better than so-so. In some cases, also, bad moves by me have been rescued by very large doses of luck. (Remember our escapes from near-disasters at USAir and Salomon? I certainly do.)

Our satisfactory results have been the product of about a dozen truly good decisions – that would be about one every five years – and a sometimes-forgotten advantage that favors long-term investors such as Berkshire.

Let me summarize this: Warren Buffet (together with Charlie Munger) has around 300 important decisions made, concerning investing in a stock or a wholly owned company (buying 51%+). From these 300 decisions, he is saying that only 12 were responsible for the phenomenal record (around 20% CAGR or Compounded Annual Growth Rate) that he has until today. That means, that only 4% of the decisions he made (1 of every 25) were great. The other 288 decisions were in good, mediocre, or poor companies. For the average reader this may not mean much, but for the more investment-oriented people (as I would like to think that our shareholders are), this should sound almost hard to believe. If I have to make conclusions from the written above, they will be, that the investing business is very forgiving and has room for a lot of mistakes. The important thing is to have patience and pick companies, with good fundamental values behind them and buy them at appropriate prices.

I hope that this will not sound to you as an excuse for the mistakes that we will do in the future. For sure there will be some of that, but as long as we keep our focus on our strategy and don't "cut the flowers" (good businesses) and "water the weeds" (mediocre ones), we will be fine and we will compound our returns on an appropriate rate.

Acquisitions

As of today, we made an acquisition, that perfectly fits our criteria. The name of the company is Print Reklama Bulgaria. It is a family-built and family-run company!

Print Reklama is a company, positioned in a tiny niche in the printing manufacturing industry. It is producing more complex advertising packages and marketing products, in small quantities, for different kinds of companies. The smaller size of the orders gives it an advantage because the company does not sign long contracts with clients and is negotiating prices for every separate order. In an environment with higher inflation as today, this is a good advantage to have.

The seller, Mr. Peter Tanev, is an honest, "old school" entrepreneur, who started and built the company from scratch. Most of his family members were employees in the business (some of them still are). Because of the stability in cash flow and revenues, the company gives us a good basis for acquiring other businesses from the industry and consolidating a sizeable part of the sector (something that we will intend to do in other sectors as well). Of course, like every other company of that size, there are some "cosmetic" changes that should be done and we are already implementing our plan for them. You will receive more

updates and information about the operations of the company (and any others as well) in my letter to you, at the end of the year (I know that some of you can't wait to see the accounting reports)!

As you probably noticed, at the beginning of the letter I used the word journey (related to investing). I used it because really, there is no destination in the investment world. It is a journey without an end and that's what makes it fun and exciting. I hope that, besides good returns on equity capital, we will be able to share with you our passion for the investment business as a whole!

Any feedback or questions are welcome! On our website (www.unityip.eu) you will find my personal contacts as well!

Sincerely,

Nikolay Dimitrov

Chief executive officer