SYMMETRY INVEST A/S

ANNUAL LETTER 2020

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Dear stakeholder in
Symmetry Invest A/S

In 2020, the Net Asset Value per share increased from 25,906 DKK to 36,369 DKK, corresponding to a return of 40,4%.

Table: Historic return in percent*

The table shows historical returns and net exposure since the founding in 2013

%	Jan	Feb	Mar	Apr	Maj	Jun	Jul	Aug	Sep	Okt	Nov	Dec	Symmetry Net	Symmetry Gross	MSCI ADWI	Avg. Net Exposure
FY13						8,1			7,9			15	34,1	41,6	15,2	N/A
FY14			3,2			10,2			2,8			17	36,8	40,4	7,4	N/A
FY15			6,8			23,2			-13,3			5,7	20,5	25,2	-0,7	76
FY16			1,3			10,6			3,5			3,4	19,9	24,6	6,8	44,3
FY17	6,2	3,2	0,7	4	5,1	-2,7	1,1	-2,7	0,6	3,3	-2,1	-0,7	16,8	22,1	17,5	46,5
FY18	1,9	-4,5	-4,4	0,8	-0,8	-5,9	-4,5	-1,8	-0,9	-12,8	1,9	0,3	-27,7	-25,8	-9,5	75,2
FY19	7,3	6,4	4,5	4,5	-2,4	6,3	0,5	-7,1	5,8	0,3	10,0	2,5	44,4	46,5	23,7	73,3
FY20	2,0	-4,1	-37,2	22,6	14,5	10,1	1,2	9,0	-0,2	1,8	17,1	12,9	40,4	48,1	12,3	74,9

We are really satisfied with our return in 2020 overall. Although we experienced great fluctuations, the final result ended up good, both in absolute and relative terms.

As we have explained in earlier updates, we at Symmetry try to have an "all-weather" portfolio. Therefore, we usually have both some high-growth stocks and some deep value stocks and are exposed to various sectors.

In that way, we wish to be able to create solid returns regardless of the current market condition. Investors that have been all-in E-Commerce, SaaS, or online gaming/gambling will have seen 3-digit returns in 2020, and Symmetry applauds them. Even if we were able to capture part of that trend, we have also been allocated to other sectors that we think will perform better under different market conditions.

Measured by gross return, we had our best year ever with a return of 48% and beat the market by 36%, which also translates into our best relative return since our inception. All this even though we only had an average yearly net exposure of approximately 75%.

Table: Performance in relation to MSCI ACWI

Below is our long-term and short-term performance compared to MSCI ACWI and Euro Stoxx 600

	2020	Total	IRR
Symmetry	40,4%	353,4%	21,3%
MSCI ACWII	12,3%	89,8%	8,5%
Stoxx 600	-4,0%	38,6%	4,3%

A bigger and better business

The fact that we've been able to deliver solid results has resulted in Symmetry attracting more investors. When I started working full time with Symmetry in 2015, I did so with a capital of only ca 15 million DKK. But with the positive results and a good inflow of new investors, we ended February 2021 with capital of ca 280 million DKK. We are happy to continuously bring in new co-investors and still have room for more.

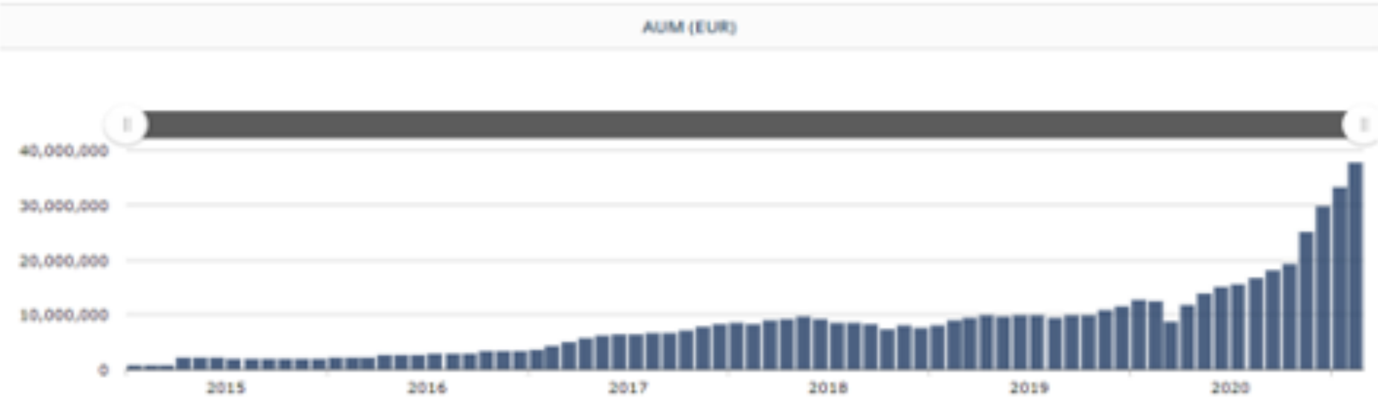
This increase in capital and size has enabled us to reinvest in the business, as opposed to the start of the firm where I could barely make ends meet in my personal finances. More AUM and better returns will result in more fees that we receive, fees that we continuously have chosen to reinvest in the business. There are many smaller things we have been able to invest in, such as better data, subscriptions, IT, travels, and consultants.

The biggest and best investment, however, has undoubtedly been in the hiring of Henrik as an additional portfolio manager. Henrik has already proven his impact on our overall return (for those who are in doubt, you can check our return since August 2020) and in addition to direct returns, he has also helped me become a better investor. Both because I have been able to bounce ideas with Henrik on various cases, but also because I have been able to focus my time on the best ideas. Since Henrik manages a portfolio of 5 companies, corresponding to ca 20-25% of the total AUM, I have been able to concentrate on 10-15 ideas as opposed to the 15-25 I did before.

We plan to continue to invest in the business, with the next step naturally being to hire a CFO to handle the back-office functions, freeing up even more time for me to focus on investing.

Another natural investment will be in IT that can improve the user experience. As an investor in Symmetry, the most important thing for you is of course the return. But in addition to good returns (the product), we also want to continuously improve the packaging. It can be anything from how you receive ongoing reports, access to our website, and other specific things.

We hope to be able to share more on these projects during 2021.



Why we can beat the market over time

For almost 8 years we have had some amazing results, and it is, therefore, essential to ask ourselves whether we can continue to beat the market over time?

At least, I do not see us delivering 21,3% returns yearly after fees in the future (not to say that we won't try). Some managers can deliver such returns over shorter periods, but only very few can do so over a longer time horizon. We still believe our long-term goal of 15% net is realistic, however ambitious. .

If we can achieve this, our investors will double their money every 5 years.

There are a few things that will make such high returns harder in the future.

1) The general market is expensive at the moment, although several of the niches we invest in still have many cheap stocks to buy

2) Our size can have a negative impact over time (although it will take some time before that becomes a problem. Thus, at the moment, we still see that our increased size yields a better return. Evident from the fact that our two best years ever were the last two.)

Conversely, 3 significant factors make us believe that it is realistic to expect good returns in the future

1) We are constantly evolving and learning:
Both Henrik (38) and I (31) are still young, with plenty of time to improve. One factor is that experience will make investors better, and the other is that we actively work on personal development on all possible fronts (which we have reviewed regularly in our newsletters). We believe that we can improve many of our processes and systems, which should make Symmetry improve with time.

2) The market is changing faster.
The rapid technological development is making the world change faster and faster, creating significant opportunities on both sides of the market. This means that new and innovative business models can expand at an insane pace, instead of having to spend decades taking market share. At the same time, companies that cannot adapt quickly will disappear much faster than before. We believe that Henrik and I, as two young and hungry investors, are well equipped to take advantage of this.

3) Passive money grows
The final point is that the share of passive money grows, taking a share from the active money in the market. This reduces the competition, providing more opportunities for active managers such as Symmetry.

How we think about ESG

One of the big themes within investments at the moment is ESG investing, and it's also one that we often receive questions about from existing investors, potential investors, and other stakeholders. So instead of answering everyone individually, it would be easier to provide an overarching description of Symmetry's position on the topic. First of all, it's important to point out that Symmetry is obviously in favor of better ESG work in the world, especially around our environment. For that progress to occur continuously, as it must, the change has to be driven by technological development in our opinion.
As I see it, there are three types of ESG approaches

The first type of investor, on which we don't need to spend much time, is one who solely focuses on the bottom-line/return and generally does not care about where the returns come from. They will simply invest in the most attractive stock, regardless of the ESG profile of the company.

The second group is what we call investors with a passive ESG approach and comprises most of the major mutual funds and pension funds. This group uses the exclusion method, which means that instead of dealing with the problems and finding a solution, they will more or less turn a blind eye by excluding specific industries.

Of course, the problems don't go away, and as long as there is a demand for tobacco, alcohol, gambling, etc., there will be a supply. We can absolutely understand why most of the major fund managers choose this path. If you have a big broad portfolio, and funds allocated to other managers, it's almost impossible to keep track of ESG issues in the individual investments. We have nothing against this way of thinking, and it's probably better than the first group of investors. You should just be clear that this mindset is adopted first and foremost to achieve feel-good, and not because you really make any difference.

The way the investment world has evolved over the last few years has created all new marketing schemes centered around ESG. We believe that, in many cases, this is false marketing aimed at making investors feel they are making a difference, without any real substance. At Symmetry, we have had multiple investors that did not want to invest with us since we don't adopt this mindset, which is fine with us. We don't want investors to invest money with us because we exclude 4-5 industries and slap an (in our opinion) worthless ESG-label on our fund.

Symmetry belongs to group 3, which is investors with an active ESG approach. Instead of looking the other way, we relate to the fact that there are issues with ESG all around us. In our opinion, this is not a specific problem for individual industries (although some may be overrepresented), but something all companies within all industries should address. Symmetry has an agnostic approach to which industries and companies we invest in, and we can more or less invest exactly where we want. On the other hand, we place high demands on the companies when we invest. We look to many factors, such as:

1) Does the company have a history of corruption?
2) Does the company have a positive or negative ESG profile/mindset?
3) Does the company have a zero-tolerance for child/slave labor?

Just to mention a few examples. But the most pressing question that we ask ourselves before we invest is:

- Is the company actively working to improve the ESG in the industry that they're a part of?

By focusing on companies that are actually making an active effort to improve ESG, we at Symmetry can help to support this development.

That is why I call this an active approach. We ponder the problems facing us and then relate to them instead of just excluding an entire industry, which won't do any good.

However, as mentioned before, we fully understand why other managers choose the easy solution that is exclusion. It is almost impossible for a diversified manager to keep track of ESG in all companies. Symmetry can do this because we are concentrated, holding only 15-20 shares at a time, and because we are 2 full-time portfolio managers who follow these companies in depth and do thorough due diligence before we invest. We will mention some examples of this later, but first our general attitude towards the oil industry:

Symmetry has (as far as I can remember and can see in our database) never invested in an oil company. But this is not because we think the oil industry has a negative ESG-profile. Actually, I agree to 100% with Rob Vinall here (Rob is super smart, so I'm often in agreement with him), that people look down on the oil industry as if it's made up of a bunch of immoral and unethical workers is directly repulsive. If we stopped extracting oil tomorrow, we would quickly start starving (oil is used in fertilizers and other inputs that grow our food) or die (many chemicals used in vital medicine are extracted from oil). Many of the people working in the oil industry risk their lives on dangerous drilling platforms and those that find people working in the oil industry too immoral or unethical should probably look themselves in the mirror more often.

This is not to say that we are in favor of burning oil in the wild and harming our environment. Symmetry is 100% committed to electrifying our road network, improving our house insulation, and most almost all other energy optimizations that can reduce fossil fuel usage. But one may well be in favor of reducing fossil fuels without having a negative attitude towards the oil industry.

Let's take another example by assuming that an oil company develops a new technology that reduces the environmental impact of extraction by 50% in the future. The oil company needs a lot of new investors to be able to implement this technology on all its drilling platforms, and thus helping the environment. All the passive ESG-funds will not be able to make such an investment as they have blacklisted the oil industry through their ESG-mandates. Through our active ESG profile, Symmetry would be able to carry out real research of the company in question and the new technology to assess whether we want to provide part of the money needed to improve the environment.

Another example is alcohol. Symmetry's position is clear: alcoholics must receive the help they need, and young people (beneath national guidelines) must not drink alcohol. But do you aid in the fight against these problems by simply saying "we do not invest in alcohol"? NO. One of Symmetry's largest positions is in Naked Wines, which sells wine online. Here we ask ourselves, would the alcohol industry have a better, neutral, or worse ESG profile if Naked Wines did not exist? If the answer is the latter, we would not invest.

But Naked Wines is actually doing a lot to improve the industry. When wine is purchased online, Naked can monitor the consumption and shopping habits, and quickly pick up on ominous shopping tendencies, and investigate this.

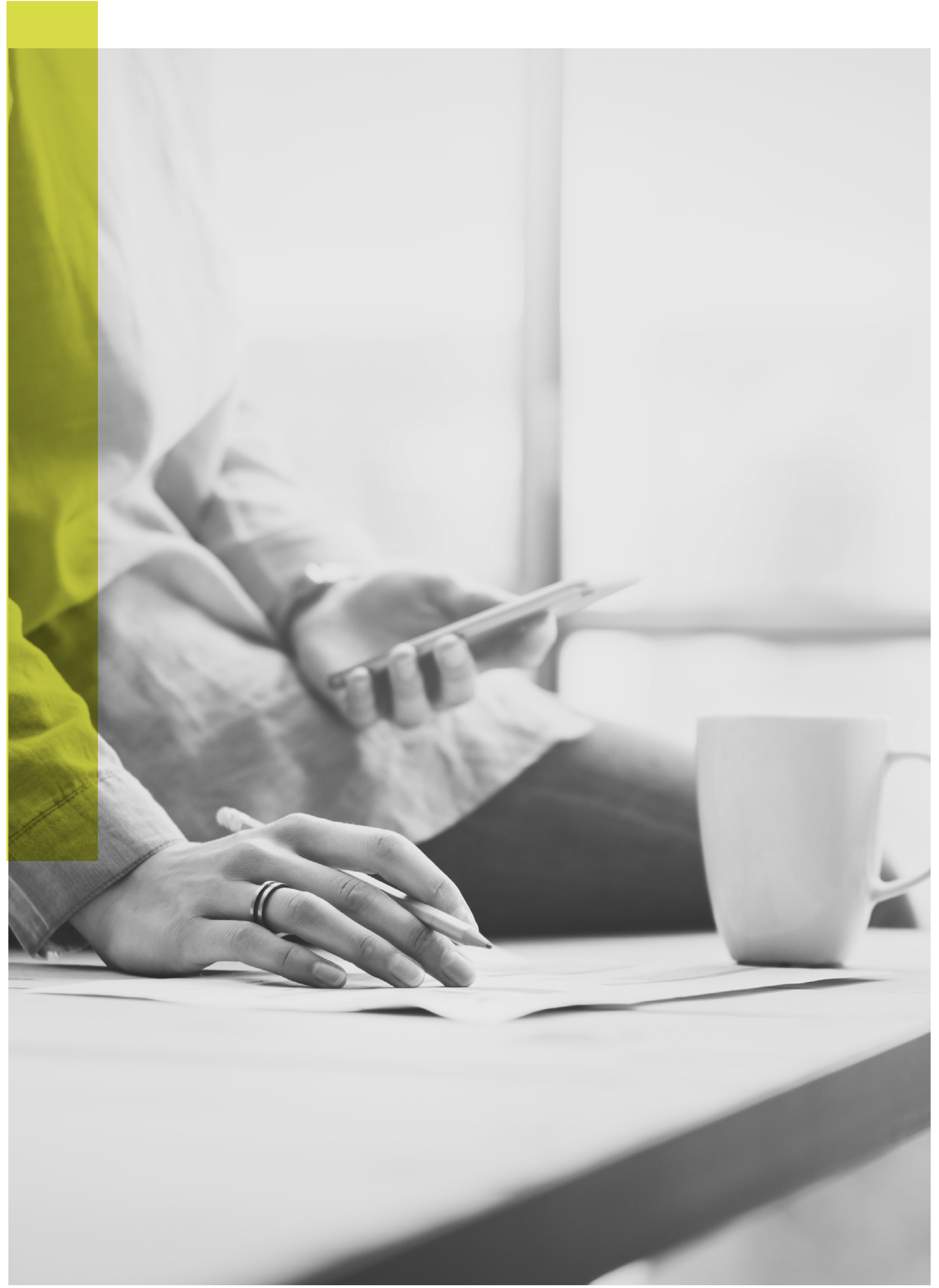
If the person bought his wine at Wal-Mart or Costco, this would be far more difficult. During the COVID crisis, Naked made unsolicited direct contact with all their customers to ask if they wanted to get a refund to help the customers financially through this crisis. By supporting Naked, Symmetry thus actively chooses to support the improvement of the industry. The final industry we will comment on is online gambling. As most people know, Symmetry has had a big investment in Kambi for a long time. Kambi is not itself a gambling company, but rather a technology company that sells software to sports betting operators. We have had investors who didn't want to invest with us because of this position in Kambi. The same investors would rather invest in another fund that excludes the gambling industry.

Kambi (and therefore Symmetry) does 100 times more to improve the gambling industry than the passive fund looking the other way.

We ask ourselves before investing in Kambi or GiG - would the gambling industry be better or worse without these companies? Do the companies in question help to improve an industry that generally has a low ESG score according to others?

Because Symmetry knows our companies inside-out, we can investigate these matters. Let's start with Kambi. Kambi sells its software to regulated sports operators in regulated markets. I.e., they take one of the best products in the market and make it available exclusively to operators who pay taxes, comply with national gambling laws, and fights gambling addiction. Kambi's software is thereby helping licensed operators to win market shares from unlicensed operators. In this way, players are removed from offshore bookmakers that don't pay taxes or protect the players, to licensed operators.

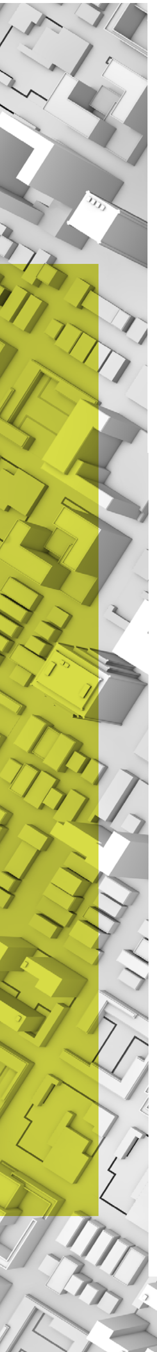
The same can be said about GiG. They primarily sell software to land-based casinos in regulated markets, helping them move online. In addition, GiG sells a software product called GiG Comply that



helps the operators keep track of their affiliate partners' compliance work. They can use GiG's software to verify that their partners comply with applicable marketing laws and consumer protection rules. It's our firm position that both Kambi and GiG are helping to improve the gambling industry.

It is fair that some investors don't want to invest in Symmetry since we invest in online gambling. These investors are definitely not a good fit for Symmetry. But we are 100% convinced that with our investments we're doing far more to improve the gambling industry than those who simply exclude the entire industry. It's important to emphasize that even if we do active research, we cannot know everything. There is a risk that we own a company that has made poor environmental decisions without or knowledge. There's a risk that one of Naked Wine's customers is an alcoholic or that one of their winemakers uses too many pesticides etc. Kambi supports Kindred in the Netherlands until the country is regulated and GiG has a few affiliate sites targeting unregulated markets.

But the important thing for us is that, through our active approach, we help to make the world a better place at the margin through the investments we make. We believe that through this approach we do much more to improve ESG within the investment world than many of the funds that can slap a nice ESG label to their fund.



Excitement in investing

One of the things I've been trying to focus on lately is to invest in things that I find exciting.

One of the things I've been trying to focus on lately is to invest in things that I find exciting. It's something I've always done but I've really chased it more over the last 1-2 years. On the one hand, you could argue that as I only live once, I should spend my time with things that really interest me. It's a fair point, but not what investors pay me for. On the other hand, I am convinced that our returns are also significantly better when I get to spend my time on things that interest me. If I have to fight my way through the annual report of an uninteresting company, or if I can't bring myself to call their CEO because I fall asleep talking to him, it's simply not an investment we want to make. No matter how good it may look on paper.

Symmetry only invests in 15-20 stocks at a time, and we have a very low turnover. If we only have to find 2-4 new ideas per year, we might as well focus on things we are passionate about. I can stay up late at night, reading news about online wine, or listen to podcasts and conference calls on the topic. I also look forward to every single conversation I have with Nick Devlin because I know there will always be something interesting to talk about.

The only way Symmetry can gain an edge in this market is to understand the companies and their business models better than most other investors. At the same time, we want to understand the management and their capabilities better than most others. Last but not least, we want to have a time horizon that is significantly longer than most others. We believe that the chances of achieving such an edge are far greater if we research things that interest us and that we are passionate about learning more about.

Not the same as a sexy business

It is important to emphasize that there is a difference between a business we think of as exciting, and what the company does. There are industries I will never be able to spend time on, simply because they would not interest me. But take two of our major investments, Protector Insurance and Cambria Automotive, an insurance company and a car dealer, respectively. Not industries many investors would label as exciting. What makes these two companies exciting is to follow the work that Sverre & Dag at Protector, and Mark & James at Cambria, do. Of course, both companies have skilled teams around them (of which we have gotten to know several) but most of our contact with the companies has been with Sverre and Mark as CEOs.

We hate the word disruption. Not that it doesn't bear any meaning or relevance, but because it has been abused. What Protector has done in insurance isn't disruption. They have simply been smarter but also to a greater extent more focused and determined than the competition. They have used meritocracy and a must-win culture in a stale and conservative industry. They have done things in a different way than what you see from traditional Nordic insurance companies, rendering them unbelievably successful. For some people, there can be nothing more boring than reading an insurance policy. I, on the other hand, always look forward to learning more about Protector and talking to Sverre about the industry and Protector.

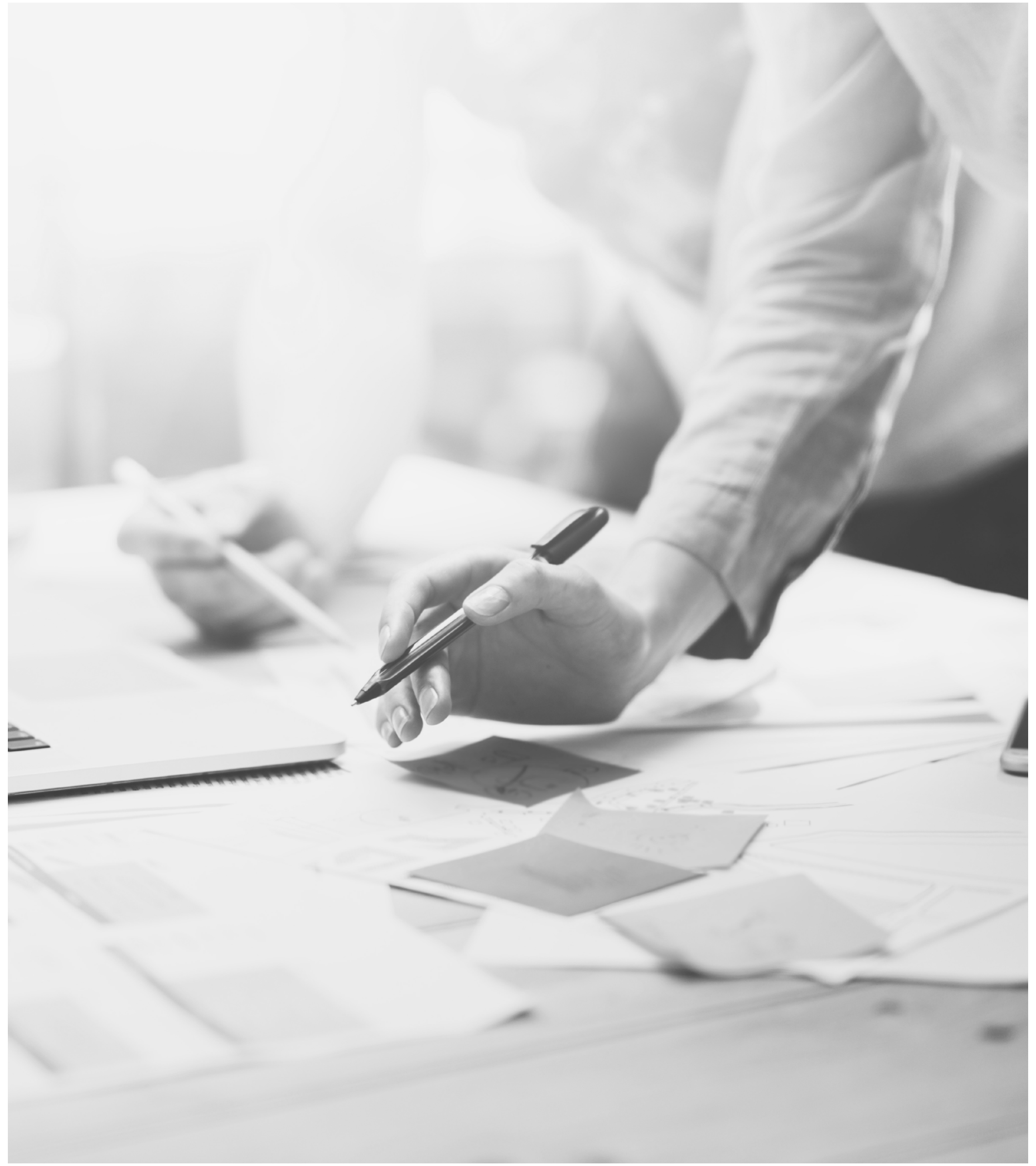
The same applies to Cambria Automotive. Few people thought a car dealer was super sexy. But the few who take the time to understand Cambria's history and not least their CEO Mark Lavery will definitely have a positive experience. What Mark and his close partner James have built with Cambria is a pretty amazing story. Every time I talk to Mark, I get excited that Symmetry is a co-owner of the UK's best managed Automotive business.

Alpha

One thing is to deliver high returns, the other is to look at how those returns are delivered.

Below is an overview of our returns on the long and short side (gross returns), respectively.

	Long	Short	LS Alpha	Long Alpha	Short Alpha
2020	41,0%	3,9%	44,9%	28,7%	16,2%
2019	43,7%	-10,2%	33,5%	19,9%	13,6%
2018	-24,5%	11,0%	-13,5%	-15,0%	1,5%
2017	27,0%	-12,9%	14,1%	9,5%	4,6%
2016	22,9%	-4,5%	18,4%	16,1%	2,3%
2015	7,2%	8,8%	16,0%	7,9%	8,1%
2014	36,8%			29,7%	
2013	34,1%			19,5%	
Average	**23,5%**	**-0,7%**	**18,9%**	**14,5%**	**7,7%**



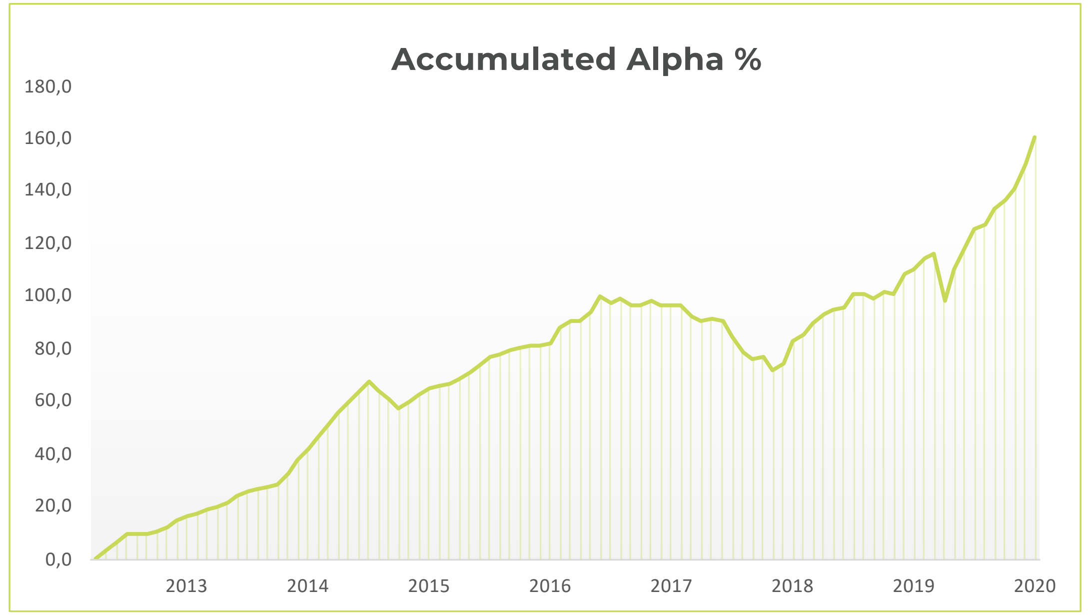
In 2020 we had our best year ever with an alpha of almost 45%, stemming from both sides of the market with 2/3 from the long portfolio and 1/3 from the short portfolio.
This also shows how hard it is to make money in the long run by short-selling. Over the last 6 years, we have lost an average of 0,7% yearly. However, it's also worth noting that the market has increased ca. 8,4% on average during this time, which has been a bit of a headwind for us.

Most important, however, is whether the L/S strategy provides excess returns in terms of risk/time.

For example, you can look at our Long only return which has been approx. 23.5% on average. These returns are lower than our historical gross return of 26% on average. I.e., a long-only portfolio had generated lower returns with higher volatility.

How about a totally market-neutral portfolio? Below is our total accumulated alpha, i.e., how our return would have looked (gross) at a pure 100% long and 100% short market-neutral portfolio.

These returns are, of course, lower than our historical returns, but also significantly less volatile. However, this is mostly a theoretical consideration as it has not been possible for us to scale our short side to 100%.
Overall, we are therefore generally well satisfied with our returns and how they have been delivered. This is not to say that there is no room for improvement. Our biggest job is still to avoid excessive drawdowns which is something we have been focusing on. We will see when the next crisis hits if we have improved here. That is our expectation.



Short alpha

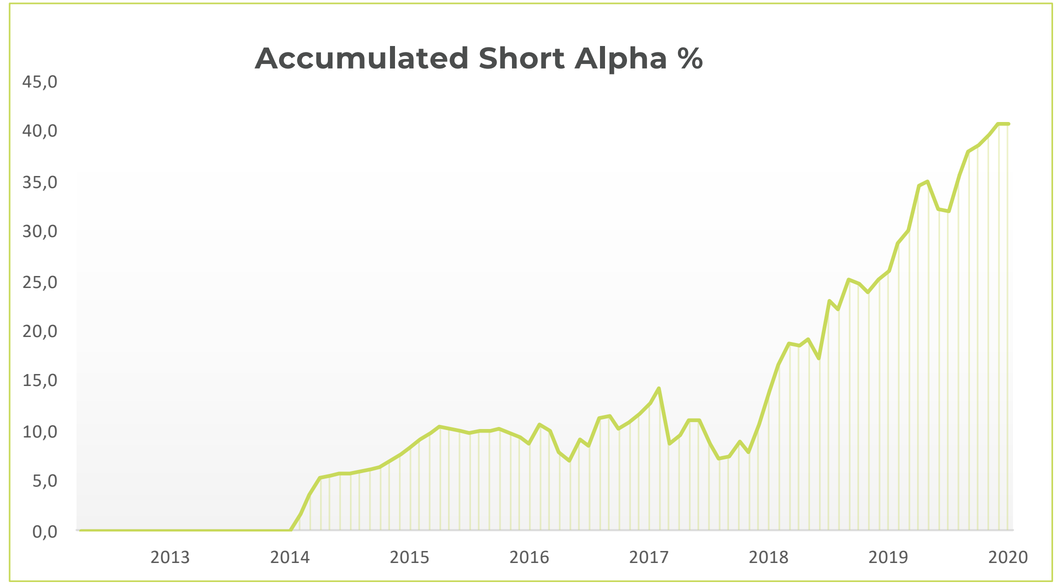
An important question that is always relevant is why short sell at all?

As we have explained a few times, there are several reasons for this:

1. We can leverage our long side without taking extra market risk
2. We can better hedge big market corrections
3. We can create real profits
4. We think that you become a better long-investor by also short selling

Above is the accumulated alpha on the short side.
You can divide it into 3 periods:

1. The first 2 years we made pure index shorts. I.e., alpha was 0 as we followed the market
2. The following 4 years was a test-and-learn period. We experienced both progress and setbacks here, while continuously getting better, and even more importantly, learning to manage risk
3. In the last 2 years we have "cracked the code" and delivered quite consistent alpha.

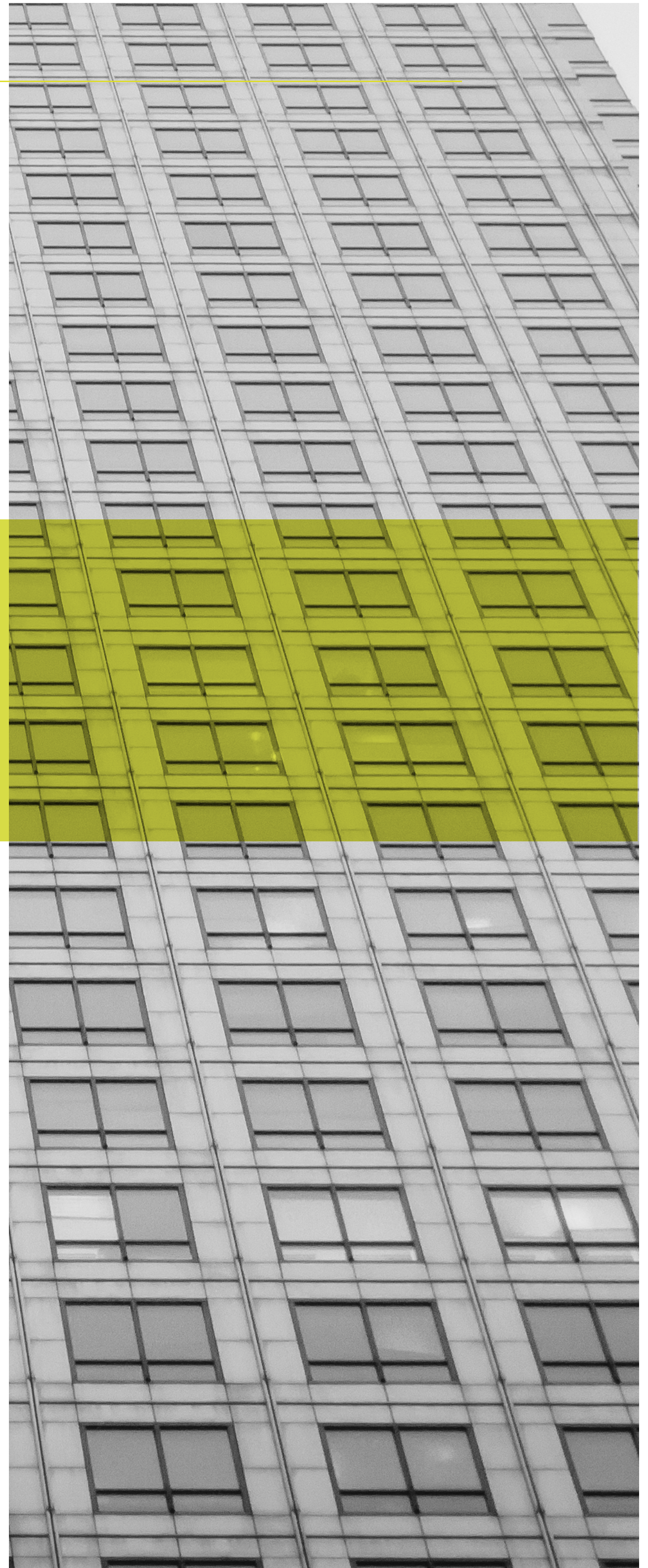


What is it then that made us succeed? First of all, we have largely avoided shorting story-stocks. Apart from some smaller losses on put options in Tesla, we have not been run over by some of the retail favorites, and this is deliberate. When I find a potential short, one of the items on my checklist is to see whether I can make the company "sexy". That is, can I invent a story about the company that would suddenly create a viral effect and has the stock significantly rise?

If the answer to that question is no, i.e., that the company is so unsexy that it will never become a favorite with retail investors, then it's a potential short. At the same time, we try to avoid obvious shorts or companies with a very high short interest. These will often be subject to short squeezes and will force you out at higher prices. We also try to target higher market values with more float compared to small illiquid companies. Again, to manage our risk.

Our biggest hunting ground has been what I call the "broken business models". An exemplary company is one where there is a structural negative growth, but where the management team succeeds in convincing the market of a future growth story. These are often based on investments, adjusted accounting, and declining cash flows. The companies have also often incurred a fair deal of debt. We also try to find companies that have so much debt or are so unsexy, that they are not potential acquisition targets.

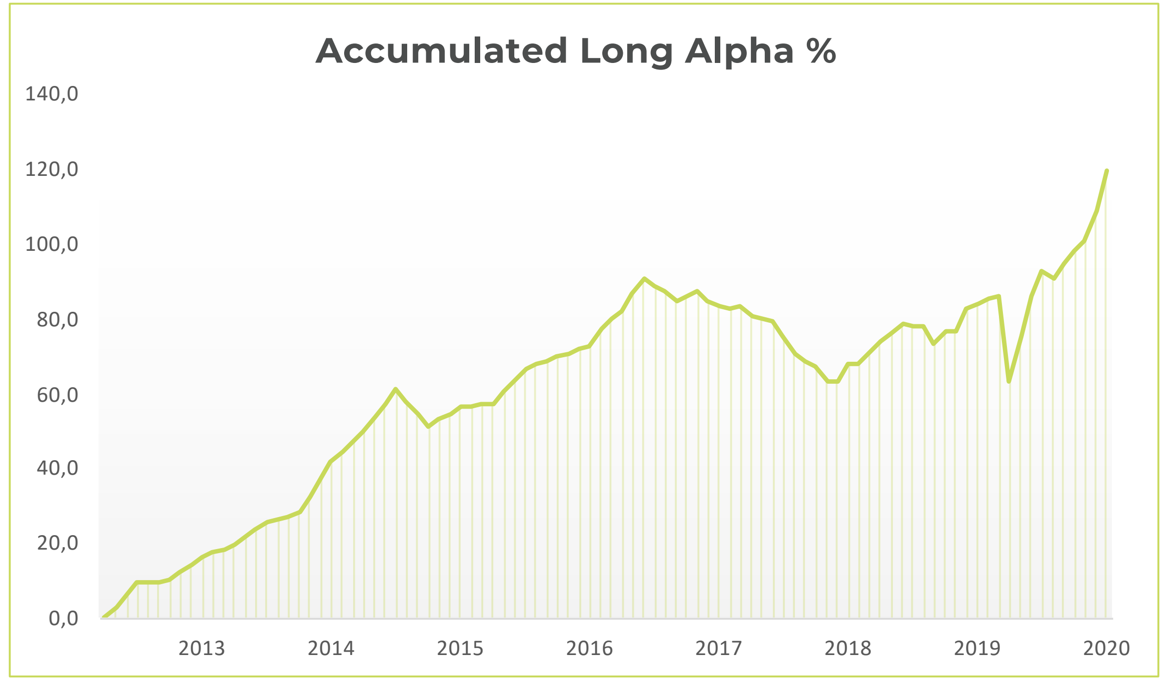
If I have a very strong notion that the company will continue to decline and can't meet the high expectations from the market, it is a good short. Often, we will therefore have a catalyst in the form of disappointing quarterly reports or downward adjustments that will trigger a steep fall in the price.

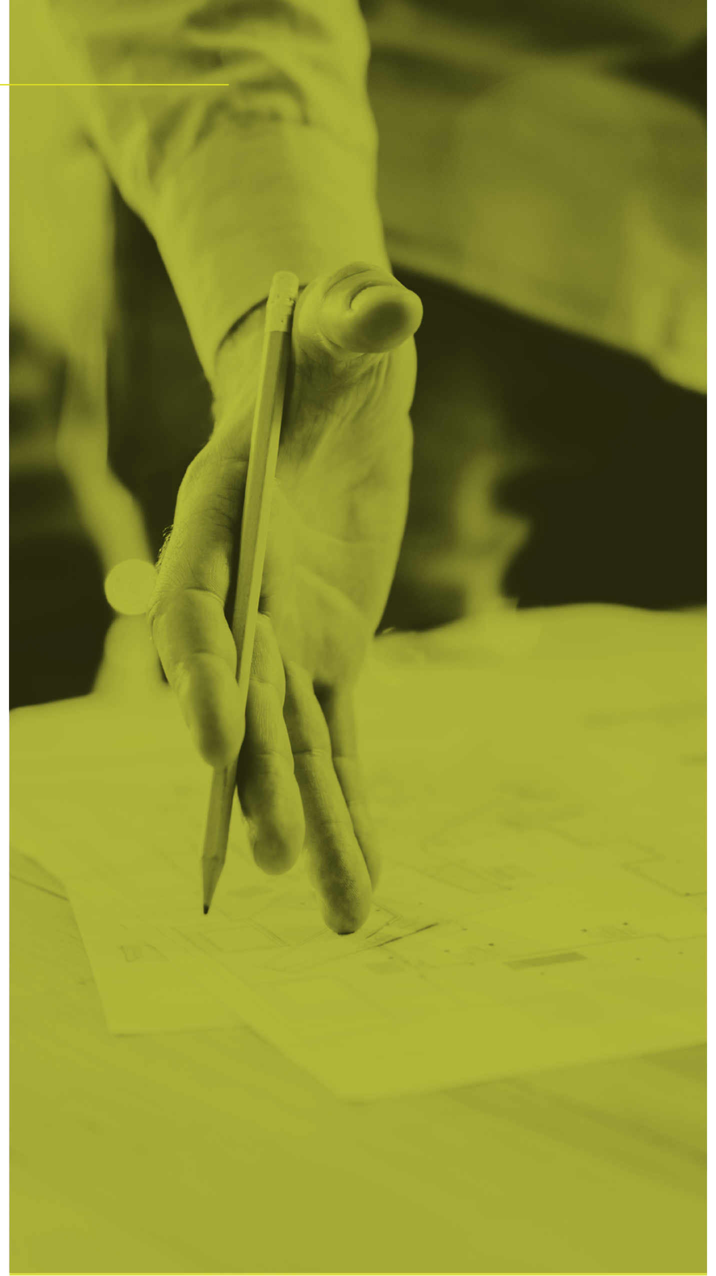


Long alpha

Our alpha on the long side is more volatile. This is primarily because we are more concentrated, but also because we often invest in smaller companies with less liquidity. This often translates into larger fluctuations in the stock price. Also, almost none of our long positions are part of a larger benchmark/ETF, etc. as they are too small, while a large part of the short portfolio is more correlated with the market.

We had a difficult period from mid-2017 until the end of 2018 where things did not work out for us. We have explained this in more detail in previous newsletters. The most important thing is that the trend has now been broken and that we are once again creating alpha.





Performance benchmark

Hedgenordics' database tracks most of the Scandinavian hedge funds and reviews their performance. In 2020, Symmetry once again managed to get into the top 10 best funds, this time at 8th place. This comes after our 4th place last year, completely in line with our long-term value creation, as it's not our goal to create the best return in any given year. Instead, our goal is to be at the very top in the long run.

How then, does our long-term performance look? As previously mentioned, the long-term IRR is 21,3% net, and ca. 26,0% gross. Symmetry reports our returns in DKK (which is pegged to the Euro). As we have many other skilled investors around the world in our network, I have shown our returns below reported in other currencies. That way, it's easier for an American or Swedish investor to compare his returns with Symmetry's The most important consideration here is probably that exchange rates can have a significant impact in individual years, but bears relatively little significance in the long run.

If we instead compare our long-term returns with our competitors in Scandinavia, it looks like below. Our goal here is to be in the top 3 long-term, which we still are at the end of 2020. However, it will be a tight race next year as both Alcur Select and Proxy Renewable enter the list. We will do our best to maintain our top position.

BEST NHX PERFORMERS YTD	
St. Petrl L/S	98,27%
Proxy Renewable Long/Short	82,88%
Alcur Select	70,42%
Accendo	69,26%
HCP Focus Fund	58,31%
Adrige Small & Midcap L/S	43,57%
Volt Diversified Alpha Fund	40,95%
Symmetry Invest	40,39%
CARN Latitude	39,66%
AAM Absolute Return Fund	30,95%

Firm	Avg. RoR	Currency
HCP Focus Fund	22,40%	EUR
Adrigo Small & Midcap L/S	22,27%	SEK
Symmetry Invest A/S	21,29%	DKK
Rhenman Healthcare Equity L/S	19,40%	EUR
CARN Lattitude	16,34%	NOK
Accendo	15,37%	EUR
Taiga Fund	14,92%	EUR
Sissener Canopus	13,16%	NOK
Asgard Fixed Income Fund	13,12%	EUR
Formue Nord Markedsneutral A/S	12,21%	DKK

All funds with +36 month performance data included

Currency	IRR
DKK	21,3%
USD	20,6%
GBP	21,6%
SEK	23,7%
NOK	25,7%
	22,6%

Portfolio

At the end of February 2021, Symmetry's portfolio consisted of 17 long positions.

We have discussed 10 of the holdings before through our website, investor letters, and Twitter. There are 7 stocks that we do not wish to comment on for now as we wish to sell or buy more of them. We don't want to penalize ourselves by disclosing which stocks we intend to buy more of or sell in.

The 10 stocks we have mentioned represent ca. 77% of our total portfolio, while the remaining 7 represents ca. 23%. On the following pages, a short review will be provided by the 10 mentioned stocks in alphabetical order – not based on our position size.

Cambria Automotive
Endor
Franklin Covey
Gaming Innovation Group
Getbusy
Kambi
Naked Wines
Protector Forsikring
Wandisco
Where Food Comes From
Company A
Company B
Company C
Company D
Company E
Company F
Company G

Cambria Automotive Plc (LON: CAMB)

Cambria Automotive may not be a business most people find particularly exciting. A chain of car dealers in the UK. But when studying the performance of Mark and his team, one cannot help to be amazed at what they have managed to pull off.

Over the last 12 years, Cambria Automotive has compounded its equity by 17-18% on average. They have reinvested virtually all the profits and created a compounding machine centered around their buy-and-build strategy. The returns are created in a period where the environment has been extremely tough for the UK automotive sector. We are talking about the GFC of 2008, Brexit, Diesel gate, and now the Covid lockdowns. And yet, Cambria has managed to deliver profits every single year. In fact, they have had a double-digit ROE every year since their inception.

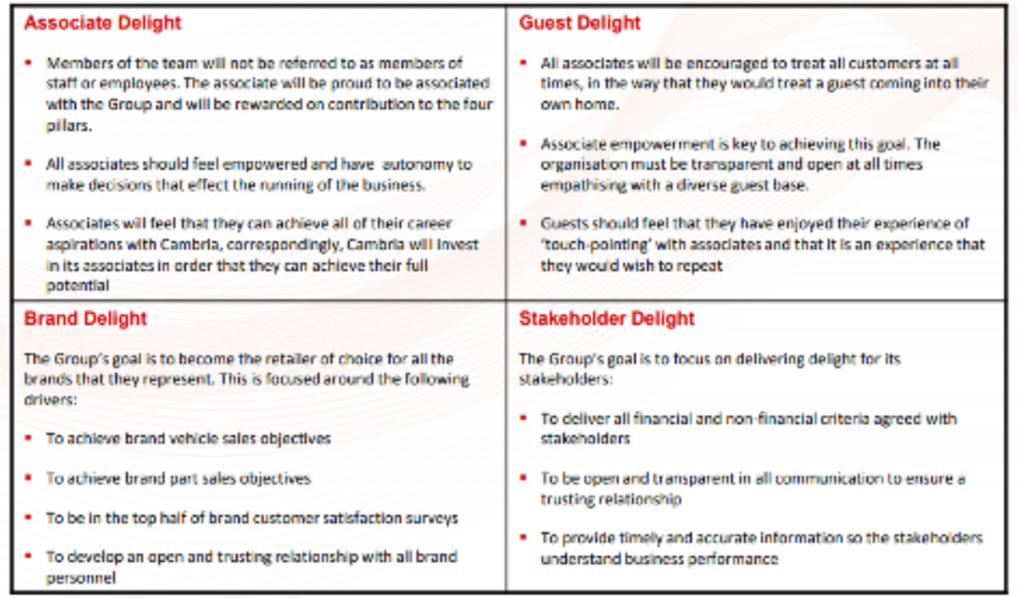
One of the things that have made Cambria successful is its acquisition strategy. They have either bought distressed dealers where they have been able to optimize operations and turn them around. Or they have bought luxury brands, gaining access to significantly larger markets.

Acquisitions and Development To Date

Brand Partners and Franchise Locations

In recent years, their portfolio has been geared more towards luxury brands, increasing their long-term margins and making the business less cyclical. Lamborghini has very long waiting lists – as not many cars are produced – meaning that they can sell these cars as soon as they get them, no matter the market climate.

Additionally, there is a much greater chance of securing lucrative service deals on expensive cars (when you buy an expensive car, the price of service is not very important).



Associate Delight	Guest Delight
▪ Members of the team will not be referred to as members of staff or employees. The associate will be proud to be associated with the Group and will be rewarded on contribution to the four pillars. ▪ All associates should feel empowered and have autonomy to make decisions that effect the running of the business. ▪ Associates will feel that they can achieve all of their career aspirations with Cambria, correspondingly, Cambria will invest in its associates in order that they can achieve their full potential	▪ All associates will be encouraged to treat all customers at all times, in the way that they would treat a guest coming into their own home. ▪ Associate empowerment is key to achieving this goal. The organisation must be transparent and open at all times empathising with a diverse guest base. ▪ Guests should feel that they have enjoyed their experience of 'touch-pointing' with associates and that it is an experience that they would wish to repeat
Brand Delight	**Stakeholder Delight**
The Group's goal is to become the retailer of choice for all the brands that they represent. This is focused around the following drivers: ▪ To achieve brand vehicle sales objectives ▪ To achieve brand part sales objectives ▪ To be in the top half of brand customer satisfaction surveys ▪ To develop an open and trusting relationship with all brand personnel	The Group's goal is to focus on delivering delight for its stakeholders: ▪ To deliver all financial and non-financial criteria agreed with stakeholders ▪ To be open and transparent in all communication to ensure a trusting relationship ▪ To provide timely and accurate information so the stakeholders understand business performance

What, then, is Cambria really worth? The company has a market cap of around £63 million with a net cash position of around £10 million (YE 2021), giving them an enterprise value of £53 million. Even in the latest fiscal year, when they were operating under severe lockdown, they managed to earn +£9 million. We think their normalized earnings at the moment is around £12 million. It's also worth noting that number will only translate into a 15% return on equity (lower than their historical average), so we might be conservative here. But even at £12 million, you will only pay around a P/E of 4,4 for Cambria.

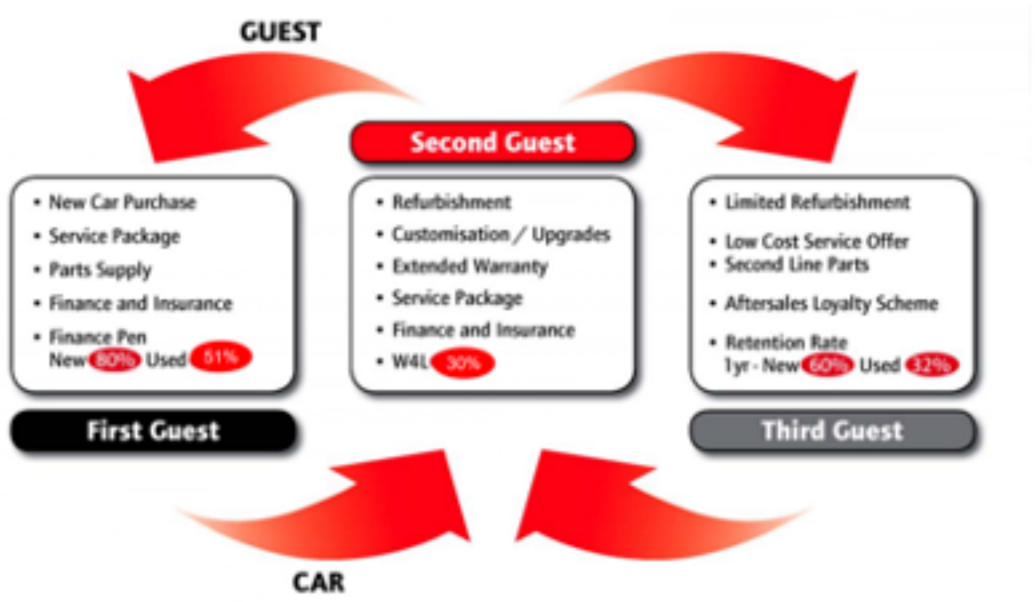
> *Even in the latest fiscal year, when they were operating under severe lockdown, they managed to earn +£9 million*

We find that extremely cheap for a company with that quality, track record, and management.

Another point to make is that you can buy the shares at just 0,8x book value, which is noticeable with their real estate at book values that they own in multiple attractive locations. They have depreciated their values year after year, even though the real value has increased.

We believe that the underlying value of the company's real estate is significantly higher than its book value. This provides huge downside protection if some dealerships would perform poorly. Cambria will then be able to sell the real estate at a profit (which they have done historically).

Car and Guest 4 Life



Endor AG (MU: E2N)

Endor is the owner of Fanatec, the leading brand in simulated racing. For those of you who don't know what simulated racing is, one can roughly explain it like the virtual experience of sitting in a real Formula 1 car. Fanatec develops and sells steering wheels, pedals, etc. which the user can connect to his PlayStation and other consoles to get the most realistic racing experience possible.

This market has been in a structural growth phase over the last -10 years, as gaming in general, and virtual gaming, in particular, is here to stay. We have seen several examples of professional Formula 1 drivers using Fanatec equipment to practice at home as Covid put the world on lockdown. Fanatec has recently entered into a partnership to be a long-standing sponsor of the Fanatec GT World Challenge, where both physical and virtual racing contests are driven simultaneously.
It was also a positive surprise to see the major shareholder and CEO Thomas Jackermeier buy shares at a stock price of 150, using €8 millions of his own money to increase his ownership from 44% to 47%

Landshut, January 27, 2021 – Thomas Jackermeier, CEO of Endor AG, has increased his stake in Endor AG. He has thus increased his direct and indirect shareholding, including his family, of around 47 percent by approximately 3 percent and indirectly acquired shares with a total volume of €7,725,000 via his investment company. The acquisition was made from private funds and not, for example, within the framework of option programs.

Thomas Jackermeier, CEO of Endor AG: "Since the founding of Endor AG in 1997, I have been 100 percent convinced of the direction and product range of Endor and our growth path. Since then we have made great progress, the company has grown and made a name for itself worldwide in the relevant product segments. I am convinced that we will also benefit greatly from the future growth of our industry, especially in simracing. Therefore, it was very important to me personally to further expand my shareholding and I am also considering increasing the share even further in the short term."

Endor has gone from a turnover of €1 million in 2008 to €90 million in 2020, with guidance for +€100 million in 2021. This translates into yearly revenue growth of more than 50% on average.

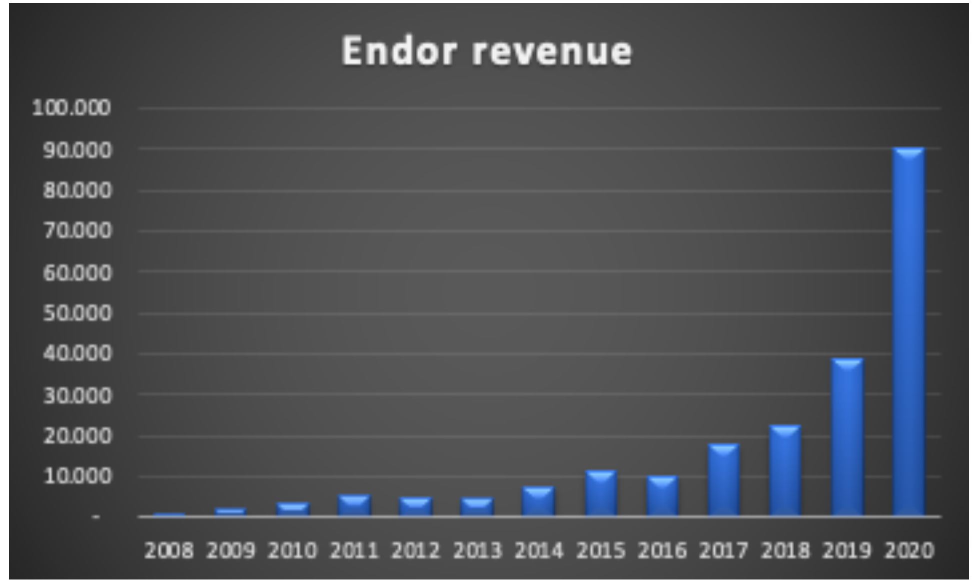
We still believe that Endor has just scraped the surface in this market. Their sales are still primarily in Europe and they are only now seriously gaining more traction in the United States. Besides, they have only recently started conquering Asia, which is potentially the biggest market.

Fanatec is the market leader in the high-end segment and competitors Trustmaster and Logitech primarily sell to the low-end market. This comes with the advantage for Endor that the other two often help to advertise and introduce new users to simulated racing. When they start to love it, they upgrade to premium products from Fanatec.

Even though Endor has been a big winner for Symmetry since we bought the stock last year, we still believe it is undervalued. The shares trade at a P/E of 15-18x 2021 earnings. We have a really hard time finding another company that is the market leader in a small and fast-growing niche, with a clean balance sheet and a net cash position, which has grown by +50% organically over more than 10 years, and where the growth has taken place at such a low multiple.

Why does this opportunity exist?
The primary reason that Endor is still so cheap is that investors are scared that the business had a boost due to Covid that will fade, leading to a bad year. Endor has already guided for a revenue of more than €100 million in 2021, which indicates that the growth will, at a minimum, be +11% in 2021 as well. There is no doubt that Endor someday will face a bad year with declining revenue. They sell hardware that the users only replace every 2-4 years on average, and the revenue, therefore, comes from resale and new sales. Resale in particular depends on the timing of new product launches, and when new games and consoles will be released. But we simply think it is insanely short-sighted to sell the stock just because one is afraid of a single year with worse comparative figures. Endor's revenue also fell by 8% in 2013, then increased by 67% in 2014. The same story was repeated in 2016 when the revenue fell by 12%, to then grow by 75% in 2017. What many forgets is that Endor was growing rapidly before Covid. They grew their revenue by 75% in 2019 and for the period from 2008 to 2019 (i.e., before Covid) the average revenue growth was still 45% annually.

We, therefore, think it is illogical to sell a clear market leader with such attractive prospects, just because we are afraid that the next quarter or half-year will be less good. This might have been relevant if the stock traded at 30-40x earnings. But at a P/E of 15-18, we believe the stock is a no-brainer and a must-own long-term investment.



Franklin Covey (NYSE: FC)

On February 4, 2021, Symmetry presented a report on our investment in Franklin Covey:

Report: (Link)
Slides: (Link)
Zoom presentation: (Link)

There has been no significant news since then. We still believe that the market has completely overlooked the value of AAP and that the value will emerge soon. The Q2 report (due in early April) will be the last one where the decline in the legacy business overshadows the growth of the subscription business. When FC reports its Q3 report (early July), the company will show significant growth on both the top and bottom line.

FC is still one of our largest positions because we believe you get a combination of low valuation, high growth and a strong compounding model. One may find 1 or 2 of these qualities elsewhere but finding all 3 is difficult.

Gaming Innovation Group (STO: GIGSEK – OSL: GIGNOK)

We participated in the Contrarian Investor Podcast in November 2020 where we presented our investment case on GIG.

Report: (Link)
Slides: (Link)
Webcast: (Link)

GiG has since presented its Q4 report and delivered some other positive news. Despite the stock has more than doubled since we introduced it 4 months ago, it is still one of the cheapest stocks in Scandinavia to this day. Due to the rising stock price and our convertible bond getting "in-the-money" our total exposure to GiG reached close to 30 % of AUM mid-march. We have felt it necessary to do risk management and have sold some of our common shares in GiG recently to get the sizing better in line. Even after this, GiG is still a top 5 position in Symmetry.

Below we have described why we still consider GiG to be an excellent investment.If you sum up the last 4 months in GiG, our conclusion is this:

Positive:

- The media business performs significantly better than we estimated.
- Peer valuations in both Media and Platform have increased significantly, which supports a higher valuation for GiG.
- They have signed some new clients to the platform that will secure high long-term growth.
- The regulation in Germany has opened up many long-term possibilities.

Negative:

- The regulation in Germany and the phasing out of white-label will reduce the turnover in the platform business in the short run.
- Covid and regulatory delays outside of GiG's control have led to postponed launches of already signed brands, leading to a more backend loaded revenue uptake.

On the next pages, we will review the two segments and summarize the case

Media

	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20
GIG	100,0	93,8	102,5	107,5	107,5	112,5
CTM	100,0	100,8	101,1	105,3	94,3	100,8
BETCO	100,0	114,6	122,2	89,5	107,0	133,3

Right now, GiG Media performs much better than we had dared to hope for in our initial assessment.

> ***“Since Jonas Warrer took over as CEO for Media back in October 2019, they have had a QoQ growth every single quarter, and (as far as we can tell) pretty much every month.***

They have worked hard to improve their SEO, create better geographic diversification, have a better split between Sport and Casino, and expand their Paid Media business in regulated markets. The hard work culminated in January 2021, when GiG Media grew their NDC by as much as 57% YoY.

If you index GiG Media with BETCO and CTM the results are as follows (BETCO has made some acquisitions that help them, while CTM and GiG are entirely organic).

A key factor of the success of GiG Media is their Paid Media segment:

	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20
Paid rev	1,4	1,8	2,1	2,3	2,6
QoQ		28,6%	16,7%	9,5%	13,0%

What's positive with the Paid Media segment is that the revenue is derived almost exclusively from regulated markets, where Facebook, Google, etc., allows for paid marketing. Additionally, the income is more stable as it's not dependent on changes at Google. On a more negative note, the margins are lower in the 20-30% range, compared to 50-70% in Publishing.

As more and more countries now regulate and open up to Paid Media, GiG can bring its technology and data to new markets and quickly secure a strong position. This is why Paid Media grew its revenue by 50% YoY in Q4 and NDC by 66,5 % YoY.

We have built a good relationship with Jonas Warrer and are super impressed with how he manages GiG Media. We are positive about the future here.

When we wrote about GiG Media in November, we thought a fair/conservative EBITDA multiple would be 8x for this business. What we have seen over the last few months, however, is that the two closest peers (CTM and BETCO) have seen their multiples increase a lot. At the same time, growth is accelerating. Based on these two factors, we raise our EBITDA multiple to 10x for GiG Media, which we still find relatively conservative in that it is a big discount to BETCO. Additionally, affiliate companies have close to 100% EBITDA cash conversion so 10x is a cheap multiple for a business that grows 10-20% annually.

	MCAP	NIDB	EV	EBITDA	EV/EBITDA
BETCO	933	63	996	60	16,6
CTM	428	118	546	60	9,1
GIG?			**220**	22	**10**

If we use the 10x multiple on our 2021 EBITDA estimate of €22 million, we end up at a total valuation for GiG Media of €220 million. This can be contrasted with the total valuation for the entire company of €170 million. In other words, you can buy GiG's share for less than the value of the Media business and get Platform and Sport for free.
Below is a comparison between GiG, BC, and CTM on different parameters:

We still want to see a few more quarters with high growth in GiG before we are willing to raise our multiple. But based on the last 12 months' trends, and especially the last 3-6 months, we don't think the steep discount of GiG Media can be justified.

	BC	GiG	Catena
Organic growth FY20	8%	4%	3%
Organic growth Q420	32%	20%	0,30%
Organic growth Jan21	16%	57%	61%
FTD growth FY20	30%	36%	10%
FTD growth Q420	0%	18%	2%
EBITDA margin FY20	37%	48%	46%
EBITDA margin Q420	40%	51%	49%
EBITDA/FTD	84K	140K	117K
Revenue share % Q420	48%	59%	46%

Platform services:

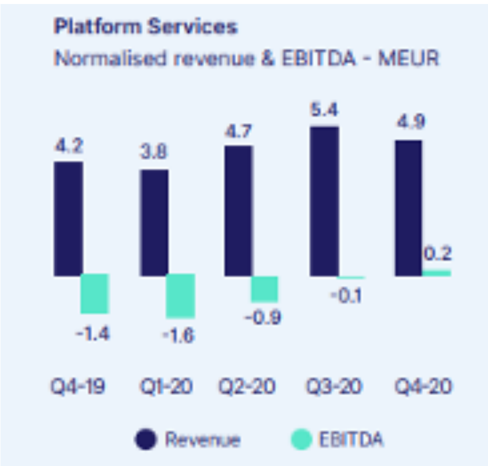
We still believe that the market underestimates the long-term potential of GiG's platform business, GiG Core. We think that too much focus is put on the short-term development, instead of the long-term strategic position.

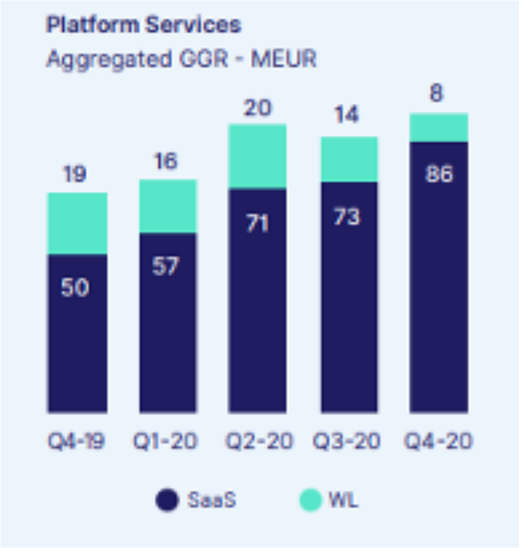
Since Richard took over as CEO, he has managed to cut costs and make the business EBITDA positive. This despite the fact that they have phased out the entire white-label business, invested heavily in new markets and signed 14 new operators to the platform.

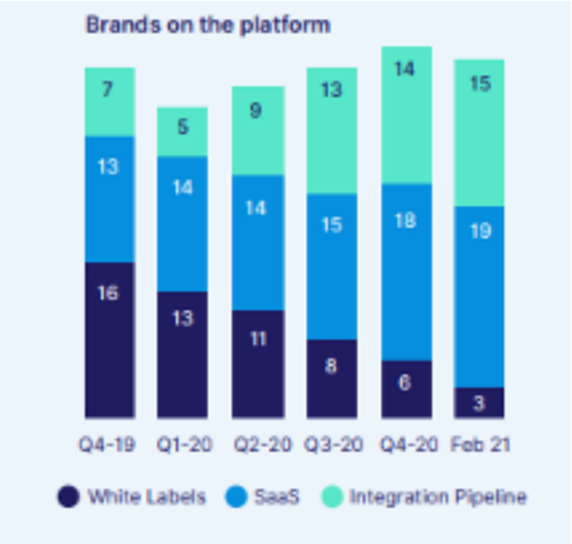
In the short run, several of the GiG's operators are facing headwinds in the German market, due to its cool-off period until the regulation in July 2021.

This means that many "black" operators are currently taking market shares from the operators applying for a license. In particular GiG's big platform brand Rizk has had temporary declining revenue in Germany. We believe the market focuses too much on short-term uncertainty instead of seeing the long-term potential of German regulation. GiG has already signed 2 (3) new brands in Germany including the leading retail business Tipwin and a major online customer.

In addition, we have a feeling that the large media house GiG announced an agreement with in December 2020 may be a German customer (Siebensat Media?). At the same time, Betsson is applying for a license in Germany for Rizk. We think it's far more interesting that GiG stands to support a large part of the licensed operators in Germany after the regulations, than how large the temporary decline in revenue might be in a single country in the coming months.







We believe that GiG Core is building a very strong foundation for structural long-term growth.

In just three quarters, agreements have been reached with 13 operators as can be seen above. We understand that some short-term market participants are impatient with the revenue-uptake from these contracts. We just mean it's a misunderstanding of the long-term picture here. One must remember that GiG spends a lot of money upfront on securing these agreements. First, you have to secure a customer, pay commission to the sales force, incur legal costs to secure regulatory approvals in new countries, build a front end, and national technology adjustments regarding tax, reporting, compliance, etc. must be made. These things take time and cost a lot of money. On the other hand, there is also a 99% gross margin, with 60-80% incremental EBITDA margin, waiting for you when you are launching these operators and start receiving revenue share.

Many of the new operators with which agreements have been entered into are operating in newly-regulated markets with strict regulations and a limited number of operators. When GiG gets access to these markets, it is all about winning there.
Just 3 examples:

While more mature markets, such as the UK, Sweden, and Denmark, are very competitive as there is an infinite number of operators to compete, this is not the case in many newly regulated markets. This is especially so in Eastern Europe, where it seems they will employ the American model where you have to have a physical casino to gain an online license. This means that there are a very limited number of licenses in these markets. It also means that GiG may end up having a very high market share in these countries. Although revenue will be limited for the first 1-2 years as the market matures, these markets will grow very quickly and over time this will naturally lead to a growing revenue share for GiG. At the same time, GiG can sell other products, such as Media, to these operators and help them succeed.

We have already witnessed a good development in GiG Core over the last few quarters. Q4 2020 and Q1 2021 will be marked by German regulation and the phasing out of white labels, but from Q2 2021 onwards we expect QoQ growth to resume and not revert again.

Here's how we thought GiG Core should be valued back in November:

	MCAP	NIDB	EV	Revenue	EV/Revenue
BRAGG	80	0	80	20	4,0
GAN	462	-63	399	30	13,3
GIG?			**141**	23,5	6

At the time, we thought a multiple of 6x the revenue was a fair valuation. However, over the last 3 months, the multiples for both Bragg and GAN have increased significantly.

We have marked where Bragg and GAN traded in November when we published our report:

These significant price increases in Bragg and GAN mean that their revenue multiples have now risen to 13 and 18, respectively.

	MCAP	NIDB	EV	Revenue	EV/Revenue
BRAGG	300	0	300	24	12,5
GAN	907	-185	722	40	18,05
GIG?			**188**	23,5	8

It is worth noting that we have deducted $185 million from GAN's market value (Coolbet) to be able to compare them. Based on these high peer multiples and the fact that GiG continues to land more operators, we raise our fair multiples from 6 to 8. This is still only half of the multiple comparable peers are trading at.

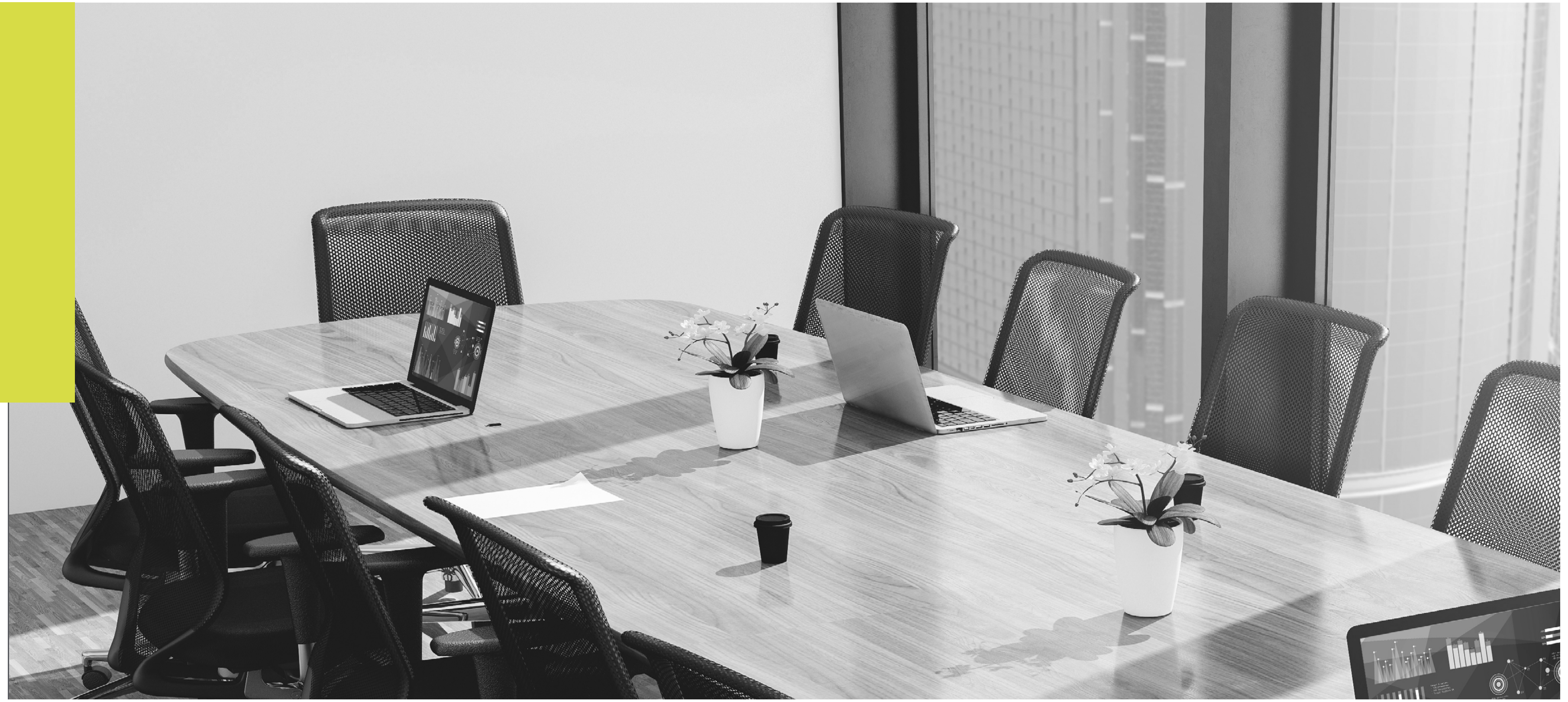
Here we have shown our estimates and valuation from November and to the right our estimates today.

	2020	2021	2022
GIG Media	34,6	40	42
GIG Core	18,5	30	40
GIG Sport	0,6	1,2	4
Total revenue	**53,7**	**71,2**	**86**
EBITDA	**11**	**25**	**35**
Adj. EBITDA	16	25	35
EBITDA margin	20,5%	35,1%	40,7%
Adj. EBITDA margin	29,8%	35,1%	40,7%
Platform + Sport multiple (rev)	6	6	6
Media multiple (EBITDA)	8	8	8
GIG Media valuation	138	160	168
Core+Sport valuation	115	187	264
Total valuation	**253**	**347**	**432**
NIBD	-29	-14	14
Net valuation	**224**	**333**	**446**
EUR/NOK	10,9	10,9	10,9
NOK Valuation	2.442	3.632	4.861
Per share	**27,1**	**40,4**	**54,0**
Upside to current price	**262%**	**438%**	**620%**

	2020	2021	2022	2023
GIG Media	34,4	44,5	47	50
GIG Core	18,8	23,5	35	44
GIG Sport	0,6	1,2	4	6
Total revenue	**53,8**	**69,2**	**86**	**100**
EBITDA	**10,7**	**25**	**34**	**42**
Adj. EBITDA	16	25	34	42
EBITDA margin	19,9%	36,1%	39,5%	42,0%
Adj. EBITDA margin	29,7%	36,1%	39,5%	42,0%
Platform + Sport multiple (re	8	8	8	8
Media multiple (EBITDA)	10	10	10	10
GIG Media valuation	172	222,5	235	250
Core+Sport valuation	155	198	312	400
Total valuation	**327**	**420**	**547**	**650**
NIBD	-28	-15	5	30
Net valuation	**299**	**405**	**552**	**680**
EUR/NOK	10,9	10,9	10,9	10,9
NOK Valuation	3.261	4.416	6.017	7.412
Per share	**36,2**	**49,1**	**66,9**	**82,4**
Upside to current price	**91%**	**158%**	**252%**	**333%**

	2020	2021	2022
EBITDA	16	25	35
Capex	-5	-5	-6
Interest expense	-5	-4	-2
Lease payments	-1	-1	-1
Tax payments	0	-1	-2
Free Cash flow	**5**	**14**	**24**
Current FCF multiple	**12,2**	**4,4**	**2,5**
Fair FCF multiple	25	20	18
Per share valuation	**15,1**	**33,9**	**52,3**
Upside to current prive	**102%**	**352%**	**598%**

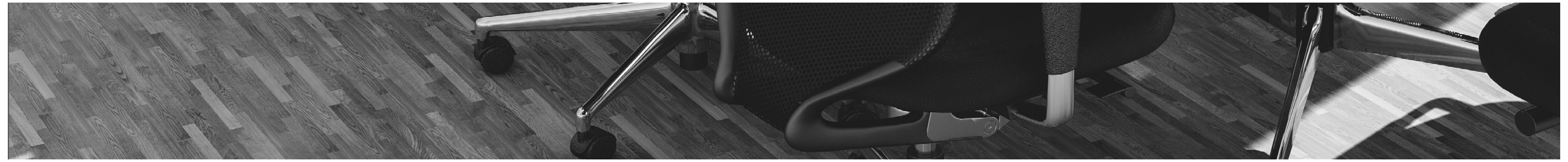
	2020	2021	2022	2023
EBITDA	16	25	34	42
Capex	-6	-6	-6	-6
Interest expense	-5	-4	-2	0
Lease payments	-1	-1	-1	-1
Tax payments	0	-1	-2	-3
Free Cash flow	**4**	**13**	**23**	**32**
Current FCF multiple	**44,0**	**13,5**	**7,7**	**5,5**
Fair FCF multiple	25	25	22	20
Per share valuation	**12,1**	**39,4**	**61,3**	**77,5**
Upside to current prive	**-36%**	**107%**	**223%**	**308%**



As we have mentioned before, we are more positive about the Media business now due to the accelerating momentum. We still have the same long-term expectations for the platform but have reduced the short-term 2021 expectations due to the delays in getting approvals in place and the new partners up and running. Overall, we have been able to raise our multiples for Media from 8 to 10 (EBITDA) and for Core from 6 to 8 (Revenue) due to higher peer multiples.

Looking at the expected potential return in the GiG share today, at 19 NOK, we still see +100% potential this year and a share that can be worth 60-80 NOK within 2-3 years. Still, by using multiples that are much lower than comparable companies.

One last thing to note is that we have seen 2 insider purchases after the Q4 report at +20 NO, meaning that insiders still believe the shares are cheap despite the hefty price increase since November.



We like Getbusy because it have everything we look for in a SAAS business but at the same time we can buy it at a fraction of what other SAAS companies trade at.

Getbusy (Lon: GETB)

Getbusy is a small SAAS company listed on AIM in London. The company is a spin-off from Australian based Reckon. We like Getbusy because it have everything we look for in a SAAS business (high organic growth, good retention, zero customer concentration etc.) but at the same time we can buy it at a fraction of what other SAAS companies trade at.

The 2 legs of the company Virtual Cabinet and SmarVault have 90 % gross margin and potential +50 % EBIT margins.

Virtual Cabinet today allready have around 50 % EBIT margins. Smartvault is growing +30 % a year while breaking even.

Getbusy currently trade at around 3,5x ARR. We think its quite a big discount compared to comparable companies.

We think the company can achieve long term +40 % EBIT margins (Virtual Cabinet already have 50 % today). At that mature multiple Getbusy only trade at around 10x P/E today.

20 January 2021

GetBusy plc
2020 Unaudited Trading Update
Strong revenue growth and a robust foundation to scale

GetBusy plc ("GetBusy" or the "Group") (AIM: GETB), a leading developer of document management and task management software, is pleased to provide an update on trading for the year ended 31 December 2020.

The Group's performance has continued to be strong since the last trading update in September. Group revenue is expected to be slightly ahead of market expectations, despite the currency headwinds of the second half of the year. The investments in SmartVault announced in July are proceeding well.

Group recurring revenue growth is expected to be 15% at constant currency driven by strong annual revenue per user and growth in total user numbers; SmartVault was up 30% and Virtual Cabinet was up 6%. New customer wins for both document management businesses in the final quarter were very strong and churn levels in H2 were lower than in H1, offsetting the early stage impacts of the pandemic.

Net cash at the year-end of £2.3m, up 31% since 31 December 2019, was noticeably ahead of market expectations owing to the earlier than expected receipt of research and development tax credits in the UK. This, together with the recently signed £2m revolving credit facility, which is completely undrawn, provides a robust foundation to support the Group's investments in future growth

Kambi Plc (STO: KAMBI)

Kambi is still one of our largest positions despite the great development of the stock. In this case, we believe it is important to hold on to our winners, as we feel that Kambi is still early in its growth journey.

We have constantly had to listen to comments like "their business does not scale" over the last few years. We have, however, always believed that Kambi's business is extremely scalable. The company has just chosen to invest significantly in product development and not least in their market launch in the USA. Our opinion was validated in the Q4 report:

Fourth quarter financial breakdown

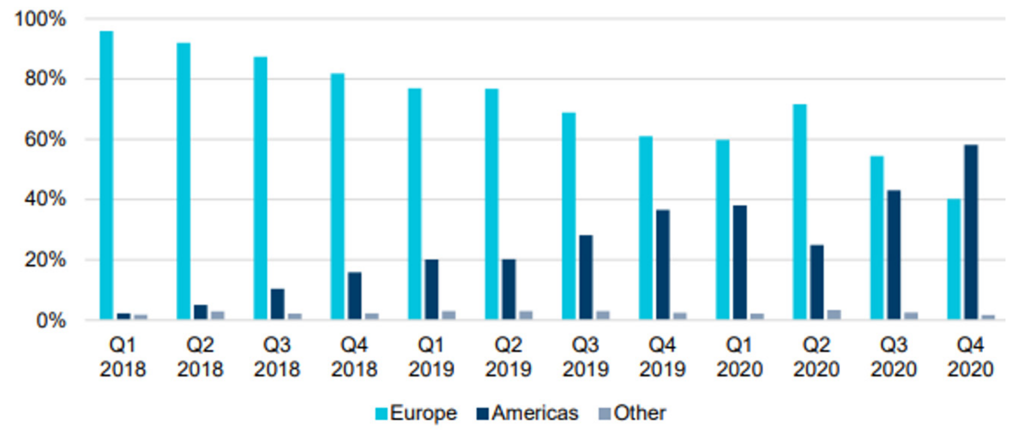
€m	Q4 2020	Q4 2019	*Change %*	Jan – Dec 2020	Jan – Dec 2019	Change %
Revenue	46.9	26.7	76%	117.7	92.3	28%
Operating profit	22.2	6.2	260%	32.2 [1]	14.7	119%
Operating margin	47.3%	23.1%		27.4%	16.0%	
Profit after tax	17.3	4.6	275%	24.1 [2]	10.4	130%
Cash flow [3]	20.5	4.4		28.7	8.6	
Net cash	53.5	37.7		53.5	37.7	
Earnings per share	€0.558	€0.152	267%	€0.781	€0.345	126%

[1] Operating profit excludes items affecting comparability recorded in Q1 2020 (bad debt expense of €0.6m)

[2] Profit after tax includes items affecting comparability recorded in Q1 2020 (bad debt expense of €0.6m)

[3] Cash flow from operating and investing activities excluding movements in working capital

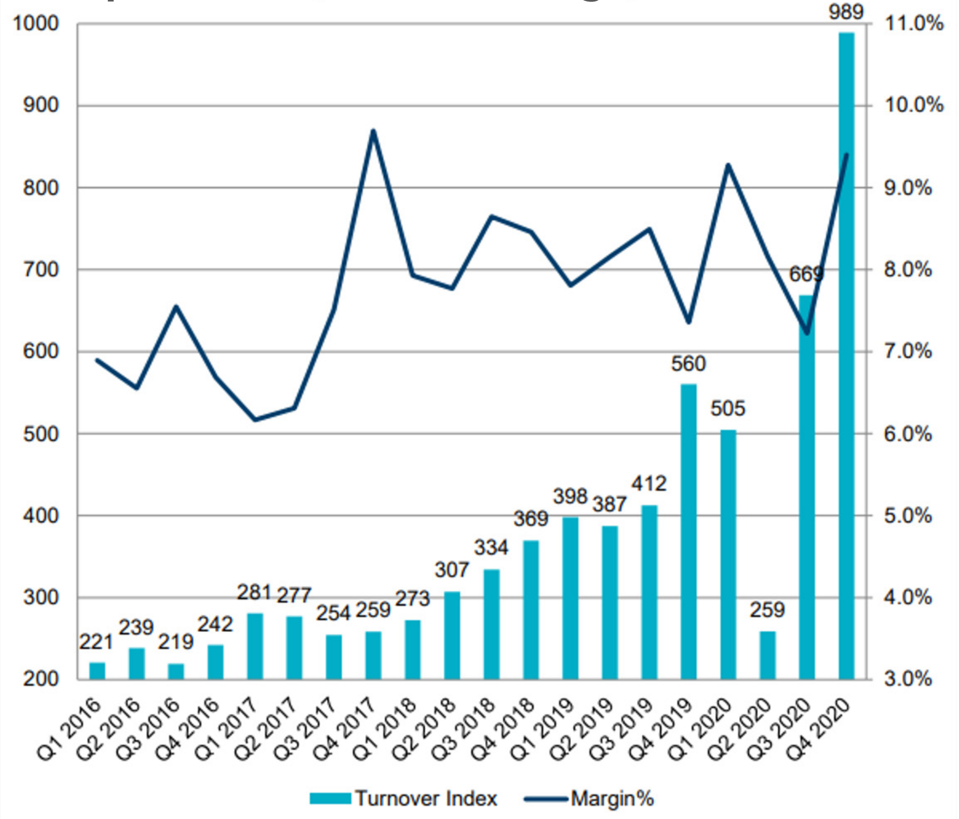
Operator GGR by geographical area



As can be seen, Kambi managed to scale its EBIT margin from 23% to 47%. We think this scaling has only just begun, and we ultimately see Kambi's EBIT margin reaching 50-60%.

Another significant event is that the US already accounts for most of Kambi's revenue in Q4. This despite the fact that only a few states are pulling all the load. As more and more states regulate sports betting and the newly regulated states expand, Kambi will continue to see a strong development.

Operator Turnover and Margin

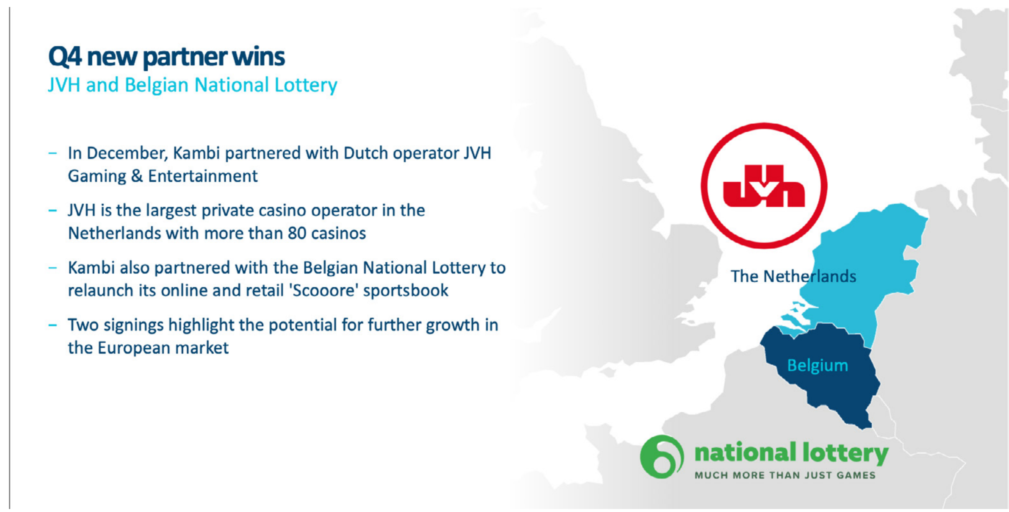


is increasing in most quarters (save for the quarters where Covid shut down sports), while the reported revenue will fluctuate some due to the sportsbook margin.

Despite the good development in Kambi, the share is still only trading at a P/E of 20, measured by our 2021 estimates. When you compare this with other high-growth companies, it is an insanely high discount. Many of their US peers that is unprofitable trades at significantly higher multiples. Kambi still only has a very low ownership percentage coming from US investors. There are several reasons for this.

First, Kambi is listed on the Swedish First-North stock exchange, which is something the company must address in the coming years as a majority of the revenue comes from the United States. But a more crucial factor is that the company's management is just fiercely uncharismatic. There is no doubt that Kristian Nylen is tremendously skilled, but he would not be able to sell a bottle of water in the middle of the desert if asked. When he communicates on conference calls, it seems as if he just came from a funeral. This despite the fact that their business is performing better than ever. This is an area they need to address.

The last reason we think the valuation is still too low is that, in our opinion, there has been too much focus on, and negativity around the fact that 888 and Draftking have chosen to leave Kambi. This is, of course, not good news, but we believe it has been totally exaggerated so far.



First of all, Kambi continues to sign a lot of new exciting operators around the world.

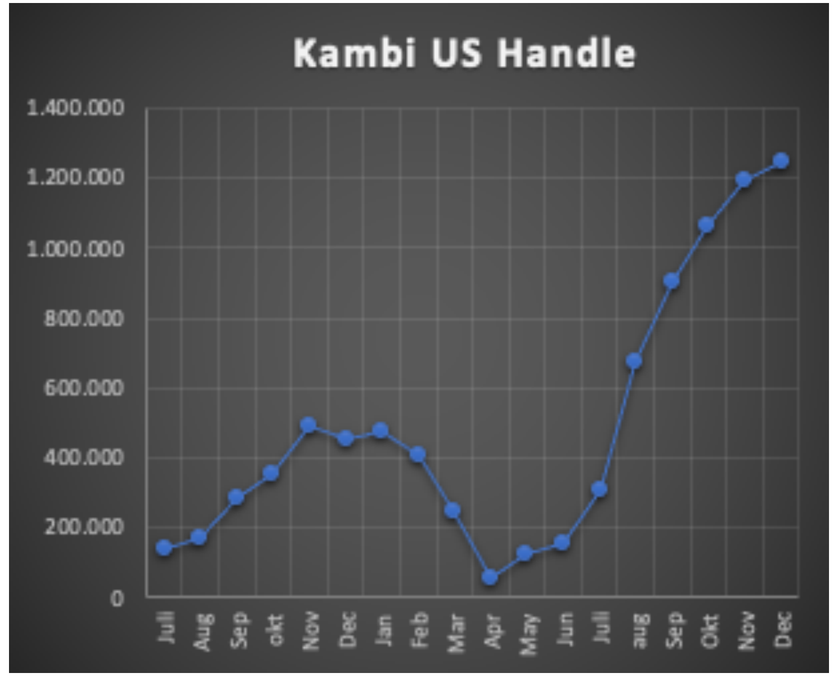
But even more importantly, we still haven't seen the full effect of 888 and DK wanting to leave them, in other words, are they skilled enough to migrate away from Kambi while maintaining their market share. It's not that customers are loyal to the brand, and if DK leaves Kambi, producing a worse product, then the customers will be able to switch to another Kambi powered operator within 5 minutes. And Kambi will be left with same marketshare.

We have already seen evidence of this, like when 888 migrated over in the UK and a plethora of customers voiced their dissatisfaction about the new 888 products on social media. These customers can more or less just turn to Unibet or 32Red and keep playing the Kambi products. The tone has also changed inside 888. Before, the communication was about migrating everything in-house, but not long after they are now talking about Kambi as an important long-term partner in regulated markets such as Italy, Spain, Romania, Denmark, and the US. We are still not convinced that 888 will ever leave Kambi entirely, especially not after the reactions in the UK.

The same goes for Draftkings. The current message is that they will migrate away from Kambi before October 2021. One should, however, remember that they acquired Sbtech – presenting it as a complete product at the time – back in December 2019, almost 1,5 years ago. Yet to this day, they continue to use Kambi, and not only in existing states but also in new ones. We will allow ourselves to question how good their in-house product really is if they can't even use it in new states.

Furthermore, the Sbtech product is still sold B2B, recently going live with Svenska Spel after many delays. Let's just say that the reception hasn't been overwhelming.

Remember that Draftkings is currently in fierce competition with Fanduel over market shares to be the leading player. The entire case for their stock is at the same time that they will grow fast and become the market leader.



I'm still not 100% sure that, in the middle of this fight, they will dare to replace most of their product with a product without any real history behind it, except for major problems. But, even in the case that DK will actually dare to push the button in October, are we really sure that Kambi will lose all the market share? Or might it be that Draftking will lose market shares to other operators that are supported by Kambi?

Only time will tell, but so far analysts and other market participants have fully accounted for the fact that DK will disappear 100%. We therefore only see potential upside on that front.

If you zoom out a bit and look at the bigger picture, the US market is still only in its infancy. At the same time, we are seeing increased regulation in the Netherlands, Germany, Latin America, Canada, etc. All these new regulated markets are gold for Kambi, which has proven to be the leading product to win regulated markets.

Many of the states that were first out to regulate, such as New Jersey and Pennsylvania, are still exhibiting high growth rates, pushing the potential market size higher and higher.

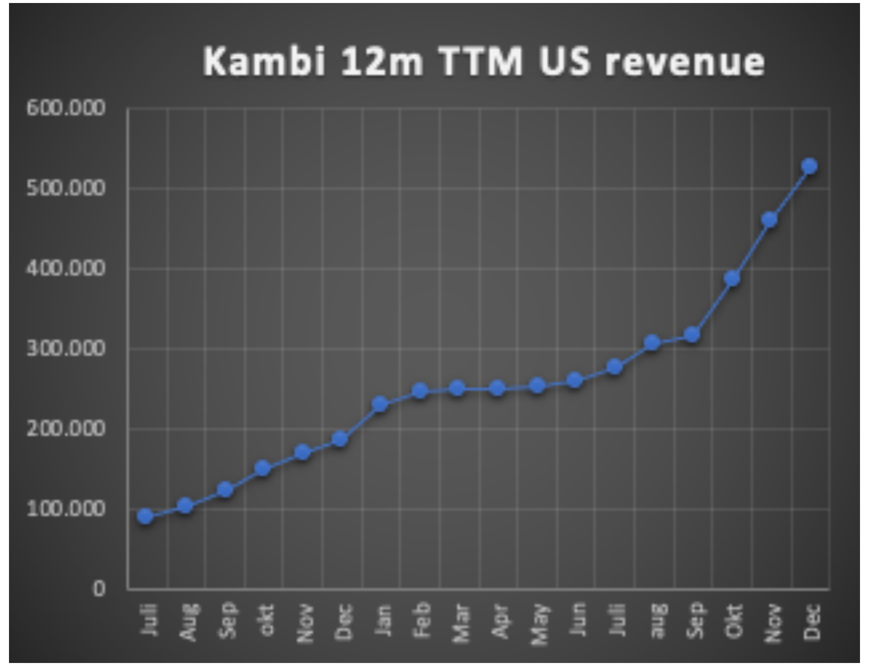
Illustrated here is Kambi's handle for their supported operators. The trend is sharply rising. Remember that Covid obviously hit sports over the summer and that the sports calendar always is a little weaker over the summer.

> *"Many of the states that were first out to regulate, such as New Jersey and Pennsylvania, are still exhibiting high growth rates, pushing the potential market size higher and higher.*

But if you look at the 12-month trailing revenue in the US, you can compensate for both the seasonal and sportsbook margin fluctuations. The picture becomes even more unambiguous for Kambi and one can see that the YoY growth is not only increasing but accelerating.

We also see a snowball effect in the US as more states now wish to regulate. Many states that have been reluctant now see how much tax dollars their neighboring states are earning. At the same time, we have seen several examples of gamblers simply taking the train or car to another state to make their bets and thus handing over tax dollars to the neighboring state. This creates an effect where more and more states will open up.

It's tempting to look at a stock that has risen so much and think it's time to take home the profit and focus on another idea. We disagree with this. Kambi is still only trading at 20x P/E with a revenue growth that is currently is at +50% YoY. It's way too cheap.



Naked Wines (LON: WINE)

In April 2020, we presented our investment case on Naked Wines when the stock was trading at 318.

(Naked Wines). Today it's at +700p and we have more shares in WINE today than we did back then. Over the past year, a lot of other managers and websites have analyzed WINE, but when we presented the case back in April, it was not exactly a consensus investment.

We have grown fonder of Naked Wines the more we learn about the company and its CEO, Nick Devlin. It is a type of business model that the market constantly will underestimate. Their position in the market and their growth opportunities are significant. When we look at the analysts' estimates for the next 2-3 years, we find that internally our expectations are a lot higher, leading us to believe that Naked Wines will continue to outperform over the coming years. Internally, we operate with a price target of +2000p per share.

My friend and colleague Elliot Turner from RGA Investment Advisors gave an excellent review of Naked Wines in his Q4 update. So instead of reviewing the case once again, I would recommend people read Elliot's letter.

Year-End-2020-Commentary_FINAL.pdf (rgaia.com)

RGA estimates that the fair value for Naked Wines is 2,240p per share, even with relatively cautious assumptions. We agree with Elliot and are super positive on Naked Wines.

DCF	2021	2022	2023	2024	2025
Total Contribution Profit	£ 27.3	£ 58.5	£ 71.2	£ 90.7	£ 104.8
Fixed Costs	-£ 33.5	-£ 38.5	-£ 46.2	-£ 53.2	-£ 59.8
Adjusted EBIT	-£ 6.2	£ 20.0	£ 25.0	£ 37.5	£ 45.0
Net Finance Charge	-£ 0.5	-£ 0.5	-£ 0.5	-£ 0.5	-£ 0.5
EBT	-£ 6.7	£ 19.5	£ 24.5	£ 37.0	£ 44.5
Tax Expense	£ -	-£ 3.7	-£ 4.7	-£ 7.0	-£ 8.5
Net Income	-£ 6.7	£ 15.8	£ 19.8	£ 30.0	£ 36.0
Capex	-£ 1.6	-£ 1.9	-£ 2.5	-£ 3.2	-£ 3.9
Working Capital	£ -	£ -	£ -	£ -	£ -
D&A	-£ 1.6	-£ 1.9	-£ 2.5	-£ 3.2	-£ 3.9
FCF	-£ 10.0	£ 11.9	£ 14.8	£ 23.6	£ 28.3
N	0.125	1.125	2.125	3.125	4.125
PV	-£ 9.9	£ 10.7	£ 12.0	£ 17.5	£ 19.1

WACC	10%
2025 Repeat Customer EBIT	£ 132
Implied SS EBIT Multiple (10% Margin)	29.8x
Terminal Multiple	17.5x
Terminal Value	£ 2,304
Pv of Terminal Value	£ 1,558
PV of Projection Period Cash Flows	£ 50
EV	£ 1,608
Net Cash	£ 74
Market Cap	£ 1,682
Shares Outstanding	75
Price Target	£ 22.4
Current Price	£ 6.8
Target Price Multiple of Current Price	3.3x

KPI Sales Buildup	**2021**	**2025**
Number of Angels	800	1,500
Orders Per Angel	2.5	2.25
ASP per Bottle	£ 11.00	£ 16.11
CAGR		10.0%
Bottles Per Oder	12	12
KPI Sales Buildup	£ 264.0	£ 652.3
DCF/Retention Sales Buildup	£ 264.8	£ 649.0

Protector Forsikring ASA (OSL: PROTC)

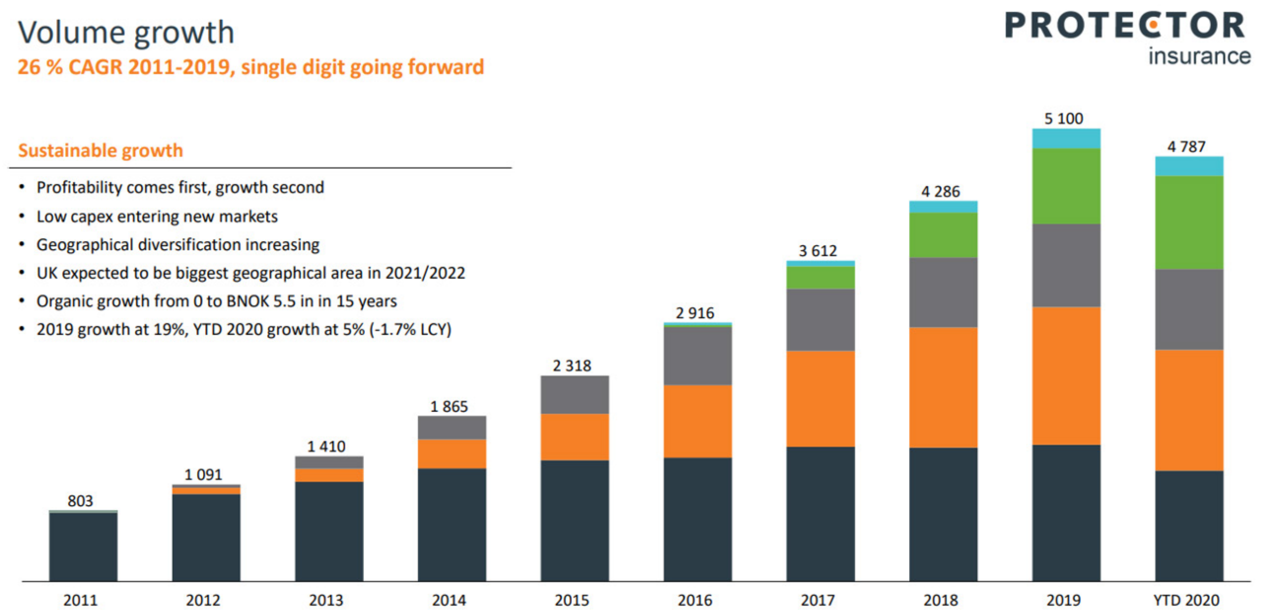
We described our investment in Protector Forsikring in this June 2020 update:
[(Protector Forsikring)]

Protector has continued to deliver since then and even outperformed our expectations on both Combined Ratio and their investment returns.

In fact, we have not sold Protector since we mentioned it at 36 NOK, instead, we have continuously bought even more. Even at today's price of around 72 NOK (+ 100% return since June), we have still been net buyers in the stock.

Protector's business model is simple (and in many ways reminiscent of GEICO). Have the, by far, lowest costs and the most streamlined organization. Utilize this to keep prices down and gain market share. Focus your investing on returns, not just keeping the risk down. And it has worked for Protector.

They have grown their business and reached a turnover of 5 516 MNOK in 2020, which implied a YoY growth of 8%. They guide for a 10% revenue growth in 2021, after which the growth will pick up from 2022 onwards.



As most people know, Protector had a bad 2018 and 2019, as the Combined Ration ended up around 98-103. They began to raise prices significantly to revive profitability. There has always been a misconception in the market that one has to choose between growth and profits.

We also think it was a huge misconception to think that Protector couldn't raise prices and maintain their revenue. However, Protector has so far put critics to shame. Despite price increases of 30-40% over the last 3 years (2019-2021), they have managed to maintain healthy revenue growth. Through these price hikes, profitability has been restored and the Combined Ratio hit 94.8 in 2020 – a significant increase from 2018 and 2019. Additionally, Protector expects further improvements in 2021 to 90-92.

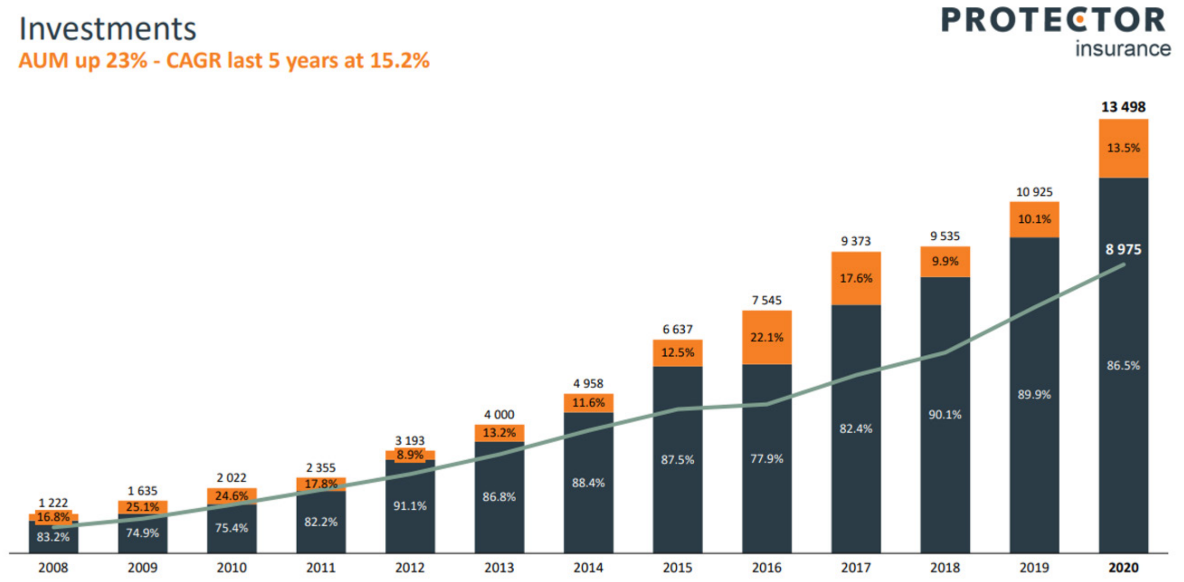
The high growth at Protector meant that they have built up an increased float which they have been able to invest and make money on.

Protector also has a strong track record in their investments where they have significantly beaten all competitors in Scandinavia over the last 1, 5 and 10 years.

Combined ratio considerations 2021
Improvements on it's way

PROTECTOR
insurance

2020 net combined ratio at		**94.8 %**
-	Net run-off losses 2021 vs. 2020, prudent reserve history	2.2 %-points
-	Large loss ratio higher than normalised 7%	1.8 %-points
+	Covid-19 effects	1 %-points
+	Some negative surprises normally occur – "safety margin"	2-4 %-points
0	Quality of customer portfolio slightly better, but what about new clients?	0 %-points
-	Earned premium effect lagging from 2020	1.2 %-point
-	Price increases Nordic higher than price inflation 2021	2 %-points
-	Cost ratio improvements 2021 vs. 2020	1 %-point
We expect to deliver a combined ratio for 2021 at		**90-92%**



We still believe Protector is a super cheap stock. Today they are traded at a P/E of approx. 6-8 by a normalized investment result. At the same time, Protector will benefit greatly from increased interest rates.

This doesn't even capture the whole picture. Protector is significantly overcapitalized today at a solvency ratio of +200%. The company's own goal is 150% long-term. They could therefore return up to 10-20% of the market value to the shareholders, which would mean an underlying P/E to 5-6. Please tell me if you can find another stock that has grown +20% annually for +10 years but is trading at these multiples.

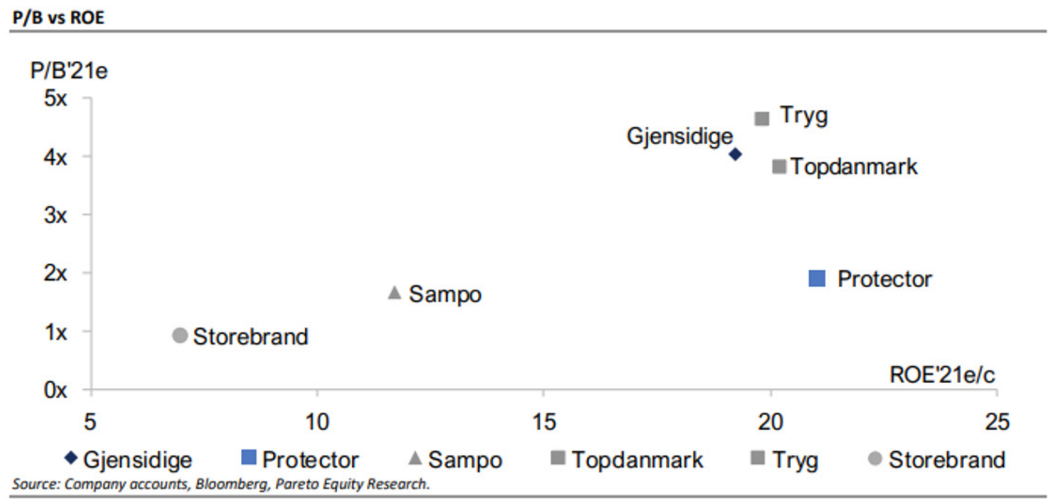
WACC:	10,00%										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Terminal
Premium written:	6.000	6.600	7.260	7.913	8.626	9.316	10.061	10.765	11.411	11.982	
Premium earned:	5.300	5.830	6.413	6.990	7.619	8.229	8.887	9.509	10.080	10.584	
Vækst	10%	10%	10%	9%	9%	8%	8%	7%	6%	5%	2%
CR	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%
Resultat forsikring	477	525	577	629	686	741	800	856	907	953	953
Investeringer	14.250	15.675	17.243	18.794	20.486	22.125	23.895	25.567	27.101	28.456	28.456
Retum:	4,5%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%
Investeringsresultat	641	564	621	677	737	796	860	920	976	1.024	1.024
Total resultat	1.118	1.089	1.198	1.306	1.423	1.537	1.660	1.776	1.883	1.977	1.977
Tax	-162	-208	-229	-249	-272	-294	-317	-339	-360	-378	-378
Skattesats	-14,3%	-19,0%	-19,0%	-19,0%	-19,0%	-19,0%	-19,0%	-19,0%	-19,0%	-19,0%	-19,0%
Resultat efter skat	956	881	969	1.057	1.151	1.243	1.343	1.437	1.523	1.599	1.599
Dividend %	100%	70%	75%	75%	75%	75%	75%	80%	80%	80%	95%
Total dividend:	**956**	**617**	**727**	**793**	**863**	**932**	**1.007**	**1.150**	**1.218**	**1.279**	**18.988**
Equity pr	**3.050**	**3.050**	**3.314**	**3.557**	**3.821**	**4.109**	**4.419**	**4.755**	**5.042**	**5.347**	**5.667**
ROE	**31,4%**	**28,9%**	**29,2%**	**29,7%**	**30,1%**	**30,3%**	**30,4%**	**30,2%**	**30,2%**	**29,9%**	**0**
EPS	**11,6**	**10,7**	**11,7**	**12,8**	**14,0**	**15,1**	**16,3**	**17,4**	**18,5**	**19,4**	
P/E	**7,5**	**8,1**	**7,4**	**6,8**	**6,2**	**5,8**	**5,3**	**5,0**	**4,7**	**4,5**	
Total NPV:	**15.000**		Kurs								
Shares:	82,5		87								
Fair Value	**172,0**										

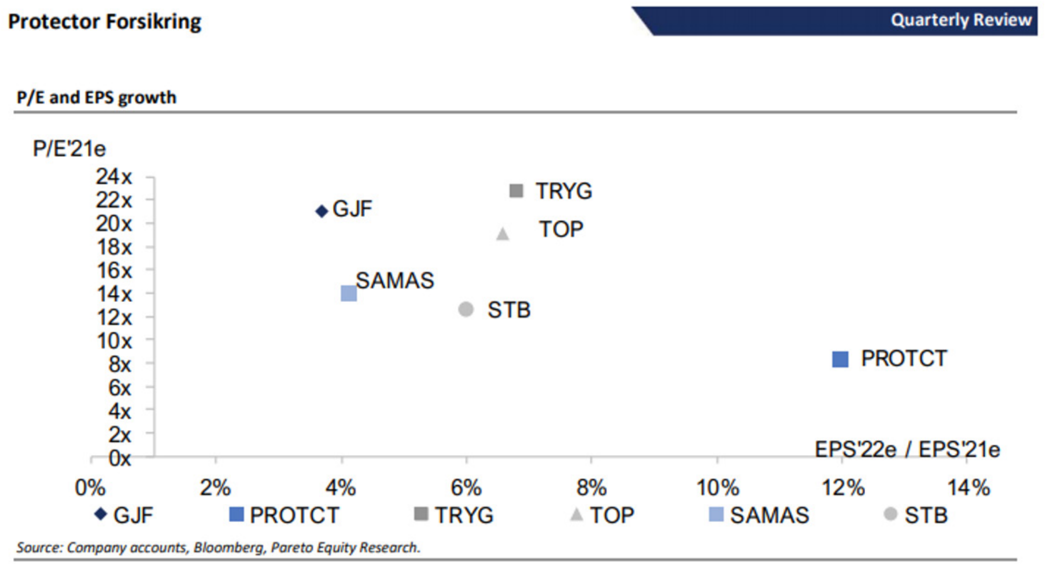
Here are two graphs from Pareto with peer comparisons for Protector. As can be seen, Protector has the highest estimated ROE in the industry, still, they are traded at the lowest P/B ratio (if you adjust for Sampo and Storebrand having large banking businesses).

The picture is even more clear if you look at P/E measured in relation to EPS growth. As can be seen below, Protector has the highest estimated growth in 2022 vs. 2021 at approx. 12%. Nevertheless, the stock is trading at the lowest multiple. Protector has the highest ROE and highest growth but the lowest P/B and P/E. There is still significant upside in Protector.

Protector has the highest estimated growth in 2022 vs. 2021 at approx. 12%. Nevertheless, the stock is trading at the lowest multiple.

Relative pricing





Wandisco Plc (LON: WAND)

We briefly reviewed Wandisco in our H2 2020 newsletter: [H2 2020 Newsletter.](#) Not much has changed since then, and our investment case is quite simple.

Here's what we know:

- Wandisco has valuable technology verified by Amazon, Microsoft, IBM etc.
- There is a need for the product (GoDaddy, AT&T, Johnson Control, Daimler etc.)

Here's what we do not know:

- How big is the potential market?
- For how long will the customers need the product?

Investment case:
The case on Wandisco is that they have historically sold the product via their own sales force of 5-10 people who have had to sell it via large one-time licenses without direct integration. As of the end of 2020, Wandisco is deeply integrated with Microsoft Azure and fully functional with Amazon AWS. At the same time, it is no longer Wandisco's 5-10 salespeople who will sell the product, but +2,000 salespeople at AWS and Azure.

We are, as we said, not 100% that there really is a market for the product, and there is a risk of losing the entire investment with this share. But we think it's worth taking a small bet on the case. If there really is a large unmet need that Azure and AWS can meet, we are talking about a share that I can easily see rise 1 000% in a short time.

Where Food Comes From (NSQ: WFCF)

We are still very positive about our investment in Where Food Comes From (WFCF) and described our investment case back in March 2020: [(WFCF)](#)

WFCF was one of the stocks in our portfolio that were hardest hit by the pandemic in the short term. Their access to Poultry, Pork, Egg and Dairy producers has been almost completely shut down during 2020. This led to a major decline in revenue in this segment. Worth noting, however, is that this decline in revenue is not demand-driven, but purely supply-driven. Producers will (and must, according to the legislation) have audits in the future, but due to social distancing and limited access to many facilities, these have been postponed. This segment will thus come back strong on the other side of Covid.

However, WFCF managed to deliver good growth in their high-margin beef segment of 20-30% YoY in 2020. This growth meant that WFCF overall only ended with a revenue drop of approx. 3% in 2020 compared to 2019. A very solid result when you consider the big challenges the company had. The skilled management, led by John and Leann Sounders, also managed to cut costs, convert to digital audits in many situations, use the opportunity to optimize cash flow and buy back own shares. This meant that the WFCF managed to strengthen its EBITDA and EBIT margin compared to the previous year, which ultimately meant a growth of approx. 35% of EPS compared to 2019.

One of the things Covid has generally done is that the bigger players have gotten stronger and the small ones have had it tough. This has also been the case with WFCF, as several of their competitors went bankrupt. This is something we believe will accelerate, allowing WFCF to take market shares or acquire distressed competitors.

Leann commented on this at the latest conference call:

> From a competitor perspective, we have started to see some of our competitors go out of business, some of the smaller certification bodies. We've specifically seen [two organic certifiers], large organic certifiers go out of business just in the last three months. So, it's been a challenge for those that weren't diversified and I think just has leadership teams that were able to innovate so quickly so that we had the technology arm that we had tied with, just a great leadership team that helped us to do things others could not.

At the same time, WFCF announced that they had been made the exclusive auditor for the new upcycle food waste reduction initiative:

> If you're not familiar with the upcycle movement, particularly as it pertains to food, go to www.upcycledfood.org. [Indiscernible] developed by the Upcycled Food Association is designed to reduce food waste by promoting upcycled food economy. Upcycled products use safe nutritional ingredient ingredients that for any number of reasons would otherwise have gone to waste.
>
> Upcycled certification is available to operators that grow produce, manufacture, process, and trade in food beverages and other related food products. To earn certification they must demonstrate that the ingredients they handle have been sourced and produced using verifiable supply chains. It is estimated that more than 40% of food grown annually goes to waste. In the U.S. alone it is believed that 62.5 million tons of food is wasted annually in the growing and processing stages alone.

We expect to see Nasdaq approve WFCF's application in the coming weeks and that the WFCF stock may end up exploding after a Nasdaq listing and inclusion in various ETFs. WFCF hits almost all ESG trends in animal welfare, environment, food safety etc., and will fit perfectly into many ESG funds. But the company has a very small free float and an active stock buyback program. We believe there may be a queue at the entrance, which could push the price up significantly.

WFCF is not a cheap stock, as it is currently trading at approx. 26x our 2021 FCF estimates and approx. 20x our 2022 FCF estimates. However, we still hold the stock and see great upside over time. WFCF has grown +20% annually over the last +10 years. A fantastic track record. They have so much tailwind at the moment, due to their market position in a lot of fast-growing niches and they are led by a super skilled and dynamic married couple in John and Leann.

Symmetry

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