Far View Capital Management

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Dear Partner,
Welcome to the performance update for Far View Partners L.P. ("Far View") for the half-year ended December 31, 2024.

Portfolio Performance

During H2 2024, Far View generated a return of +1.13%, net of all fees and expenses. This performance comprised a decline of -6.96% in Q3 2024 and a gain of +8.70% in Q4 2024. Since inception on July 1, 2011, Far View Partners has generated a cumulative net return of +112.01%, a +5.72% CAGR.

Far View benefited in H2 2024 from our position in U.S. contract drug manufacturer Lifecore Biomedical Inc. These gains were driven by the company regaining compliance with Nasdaq filing requirements and strengthening its balance sheet by raising money in a private placement, in which Far View participated. With a capable new management team and improved financial position, Lifecore is well-positioned to leverage its existing capacity and achieve significant EBITDA growth in the new few years.

The Partnership also enjoyed gains in Trustpilot PLC, as better-than-expected results highlighted growing commercial traction for its valuable, yet under-monetized review platform. Additionally, food distributor United Natural Foods Inc. performed strongly, with improved results and a well-received three-year strategic plan signaling early indications of a profit inflection.

Far View suffered its largest loss in H2 2024 in U.K. data migration specialist Cirata PLC as disappointing sales bookings led the company to withdraw its 2024 guidance, suggesting this turnaround has yet to reach an inflection on its sales productivity. Swedish marketplace CDON AB also contributed to declines due to weak Q2 results coupled with significant selling from a major shareholder. Finally, Far View faced losses in Optiva Inc. as delayed deployments of the company's telecom software in Africa negatively impacted its 2024 revenue.

On December 31, 2024, Far View's portfolio consisted of long equity investments in the United States, Canada, United Kingdom, Sweden, Germany, and Spain. Far View was fully invested at the end of the quarter and maintained short positions in various currency futures for hedging purposes.

Unique Ideas- Ingenuity PLC

During Q4, Far View invested in a highly compelling opportunity when UK health and beauty retailer THG PLC spun-off Ingenuity, its e-commerce enablement operation, as a private company.

I first became aware of this demerger in Q3 2024 and found its structure fascinating. To acquire Ingenuity, investors had to be willing to exchange shares of publicly listed THG for shares of privately listed Ingenuity. Since many public company shareholders are either unable or unwilling to own private, illiquid assets, this created the potential for a significant mispricing.

As a result of this unusual transaction, I began researching Ingenuity. It quickly became evident that the company was a potentially valuable asset, boasting blue-chip customers and two previous attempts to acquire it at much higher valuations than the exchange offer. These factors prompted me to conduct a deeper analysis of the Ingenuity business.

Ingenuity is an e-commerce business in a box, providing technology, fulfillment, and marketing services to consumer brands. THG initially developed this business to serve its internal clients THG Nutrition and THG Beauty. In 2020, due to the success of these internal operations, THG began selling Ingenuity services to external clients including Nestle, Coca-Cola, P&G, and L'Oreal.

My diligence included detailed research on all aspects of the Ingenuity business. I scoured the LinkedIn accounts of a variety of employees, spent hours on YouTube watching customer-facing videos and read every interview I could find with key employees. I also conducted in-depth conversations with former employees, customers, potential customers who chose another solution, and industry consultants.

My conclusion after this research was that Ingenuity's fulfillment business was truly world-class and that its e-commerce platform had broader capabilities than key competitors. Furthermore, my research suggested that Ingenuity was approaching an inflection point in 2024, with the potential to massively increase revenue and earnings.

If the business develops as anticipated, Ingenuity could generate mid-term free cash flow well above the total market value at which we acquired the position. As an outcome of this business performance, the company's mid-term value should return many multiples of our initial purchase price.

Given these findings, Far View purchased shares of THG PLC in Q4 and converted them, to the greatest extent possible, into shares of Ingenuity. Due to the illiquidity risk associated with a private asset, Ingenuity remains one of Far View's smaller positions, yet it has the potential to make a significant contribution to our long-term returns.

Since the purchase, certain aspects of my investment thesis have been validated. In a January 2025 LinkedIn post, THG CEO Matt Moulding commented that FY 12/31/24 EBITDA was ~$35mln, an increase of almost 50% from the 6/30/24 results of ~$24mln.[1] These earnings indicate a strong second half of 2024, supporting my thesis that the company's results were inflecting.

Additionally, in January, I had conversations with members of the Ingenuity leadership and gained greater confidence that our mid-term strategic outlooks and expectations for Ingenuity are aligned. While continued execution will be paramount, I am pleased with what I have seen initially from Ingenuity and look forward to continued strong performance.

While many funds are either unable or unwilling to invest the time required to analyze a complex, private UK company, Far View is perfectly positioned to take advantage of unique opportunities like

[1] https://www.linkedin.com/posts/matthew-moulding_wonderwall-tech-deals-activity-7279414560862703616-53P7?utm_source=share&utm_medium=member_desktop, H1 2024 results from Ingenuity Demerger Circular

Ingenuity. I believe that continuing to seek out off-the-run situations like Ingenuity will provide Far View with the greatest advantage to generate strong, differentiated long-term returns.

The Partnership

Far View transitioned our legal representation to Cole, Frieman, and Mallon LLP during H2 2024 due to the departure of the partner from our existing firm. Our new lawyer, Scott Kitchens, was previously involved in Far View's document creation and possesses extensive knowledge of our fund. I would like to thank Elizabeth Sipes for all her legal contributions to Far View over the past few years, and I look forward to working with Scott going forward.

I remain the largest investor in Far View, which represents the vast majority of my net worth. I am excited for the future of the Partnership and believe we have an excellent foundation for long-term success. Please don't hesitate to contact me if you have any thoughts or questions.

Sincerely,

Brad Hathaway

Brad Hathaway

Managing Partner

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