Bilbel Capital

Annual Letter - 2nd February 2026

Returns Since Inception	Bilbel Capital Gross	Bilbel Capital Net	S&P 500 Index
2022	210.5%	158.4%	-15.0%
2023	53.7%	31.6%	26.3%
2024	140.4%	110.2%	25.0%
2025	91.1%	58.0%	17.9%
Total Return	**2,092.4%**	**1,029.2%**	**58.1%**
Annualized Return	*120.2%*	*85.9%*	*12.4%*

Returns were independently verified by The Spaulding Group. Net returns deduct a yearly 1% management fee and a 25% performance fee (over a 6% annual hurdle). For more information, refer to the footnotes.

If you're a high net worth individual or family office,

and want to partner with us, get in touch.

Dear Partners,

We launched Bilbel Capital Fund LP. Thank you for trusting us.

While we can't guarantee results, we'll do whatever it takes to succeed.

We'll also write simply. If you don't understand our letter, it's our fault.

Portfolio

We buy and sell stocks. We don't short or use derivatives. We have a 20% margin limit. But we use none today.

Usually, we'll have 8 to 20 positions. The bigger the gap between our best ideas and the rest, the more we focus our money. The smaller the gap, the more we spread it out.

Today, most of our best ideas are in Asia. Since we're still building positions, we can't share much yet. So we'll update on CareCloud, and some things we did before the new fund started.

CareCloud

CareCloud helps smaller U.S. health practices manage their data (EHR) and collect payments (RCM).

These practices run on thin margins. On $10M in sales, most profit less than $400k. They can't afford to build their own RCM system. And once they're using one, they rarely leave.

To switch, they need to retrain staff, and connect their old hospital systems. That's a lot of work and risk. And government payment rules make it harder.

All this locks in practices. But it also locks out other RCMs.

Most RCMs have high fixed costs, and too few clients to cover them. They can't afford strong tech teams, or long sales cycles. So they can't grow.

Within a few years, many will need to sell. But only a few buyers exist.

Small ones can't afford it, and big ones won't bother with small deals.

This lets CareCloud buy them cheaply, cut costs, and sell more services to those clients.

In August 2025, CareCloud bought [Medsphere for $16.5M]. Medsphere was doing $32M in sales, but losing $5M a year.

Some customers will leave while CareCloud switches their systems. But sales should stay between $23-30M.

At 30-40% margins, that adds $7-12M in EBITDA.

Combined with $28M from CareCloud's core business, total EBITDA should reach $35-40M in 2026.

Year	2026 E*	2027 E*
CareCloud Core* EBITDA	$28,000,000	$28,000,000
Medsphere EBITDA	$10,000,000	$10,000,000
New Acquisition EBITDA	-	$10,000,000
Total EBITDA	$38,000,000	$48,000,000
Stock Based Compensation	-$3,000,000	-$3,000,000
Capital Expenditure	-$6,000,000	-$7,000,000
Preferred Dividends	-$5,500,000	-$5,500,000

Overdue Series B Dividends	-$4,000,000	-
Free Cash Flow	$19,500,000	$32,500,000
Market Cap*	$114,895,976	$114,895,976
Price / Free Cash Flow	**5.9**	**3.5**

CareCloud Core - Technology Enabled Business Solutions, making almost all of CareCloud's profits.*
**2026* and 2027* numbers are estimates. 2027* assumes a new acquisition.*
Market Cap - based on CareCloud's closing share price on January 31, 2026.*

By the end of 2026, CareCloud will pay off its overdue Series B dividends.

With $15-20M in cash from profits, they can buy an RCM with $20M in sales. Cutting 50% of costs adds another $10M in EBITDA.

If they do, EBITDA hits $45-50M by 2027. That's over $30M in profit vs today's $115M market cap.

Intellego Technologies

Intellego was our biggest loss in 2025.

Cash flows were always a problem. To turn receivables into cash, Intellego used credit support from EKN. And factoring from Nordea Bank.

I thought this made the problem worth paying for. But I was wrong.

After the Q3 2025 report, we couldn't match the payment terms to the cash flows. That left 2 options:

1. Our math was wrong, or
2. Intellego's math was wrong

The day after the report, the stock went down 58%. A week later, Claes Lindahl got arrested on suspicion of gross fraud. And the stock was halted.

Soon after, KPMG started a forensic audit. This January, they found that over 99% of revenue recorded in the first 9 months of 2025 was fake.

Although we reduced our position over time, we lost money in the end.

I made a series of mistakes. I trusted the EKN, Nordea, Deloitte, NASDAQ, and other checks. I didn't respect how fraud could be bypassed.

I misjudged the team, and the setup.

Some Previous Positions

International Cement Group Limited (ICG)

ICG owns and runs cement plants in Kazakhstan and Tajikistan.

Companies can't charge more for the same cement. So the lowest-cost plants profit the most.

Energy and transport are the 2 biggest costs, and they vary the most between plants. So they drive the biggest profit differences.

1. Energy Cost Advantage *(20-30% of total costs)*

60 years ago, cement plants used a wet process. They mixed materials with water. Then burned fuel to boil the water away.

Later, they switched to a dry process. Using powder instead of water. This cut fuel costs by half.

Today’s plants use a dry process. They also catch and reuse their own escaping heat. ICG runs these newest, most efficient plants.

Company	ICG	Competitor Type 1	Competitor Type 2	Competitor Type 3
Plant	New Dry	Old Dry	Refurbished Wet	Old Wet
Fuel per tonne	3.0 GJ	3.4-3.6 GJ	4 GJ	5-6 GJ

In Kazakhstan, fuel is $5 per GJ. Competitors burn 0.5-2 GJ more per tonne than ICG. At a $1/GJ difference, ICG saves $5 per tonne.

On a $50 per tonne selling price, **ICG makes 10% more profit.**

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2. Transport Cost Advantage *(20-30% of total costs)*

Cement is heavy and cheap. So shipping it far is expensive.

ICG's plants are at least 100km closer to customers than competitors. At $0.03/tonne per kilometer, ICG saves $3/tonne.

On a $50/tonne selling price, **ICG makes an extra 6% in profit.**

When comparing ICG to competitors, the difference is clear:

Cost Type (% of Sales)	ICG	Steppe Cement
Cost of Goods Sold *(Excluding Energy)*	53%	52%
Energy	**12%**	**23%**
SG&A *(Excluding Transport)*	14%	17%
Transport	**1%**	**8%**
Operating Margin	**18%**	**0%**

ICG has the newest plants in the best locations. Keeping 18% in profit while Steppe Cement keeps none.

Over time, ICG's profits can only go down if:

1) Demand falls faster than supply, or
2) Supply grows faster than demand

1. Demand

The government buys most cement. They're increasing spending, and planning years in advance. Cement is only a small part of total project costs. So they'll buy regardless of price.

2. Supply

Most existing plants are old. Leaving no profit for owners to rebuild.

New plants cost over $100M. They take years to build, and need government permits.

Even then, plants have high fixed costs. They only make money if demand can keep them busy for many years.

So large areas end up with only a few producers.

But they don't compete on price. Because cheaper cement doesn't make people buy more. It just lowers everyone's profits.

So instead, producers coordinate. They keep supply in line with demand. Which keeps profits stable.

We bought ICG shares at a S$103M market cap. Trading at 2x yearly profit. Months later, the stock more than doubled. We sold our shares and bought into other companies.

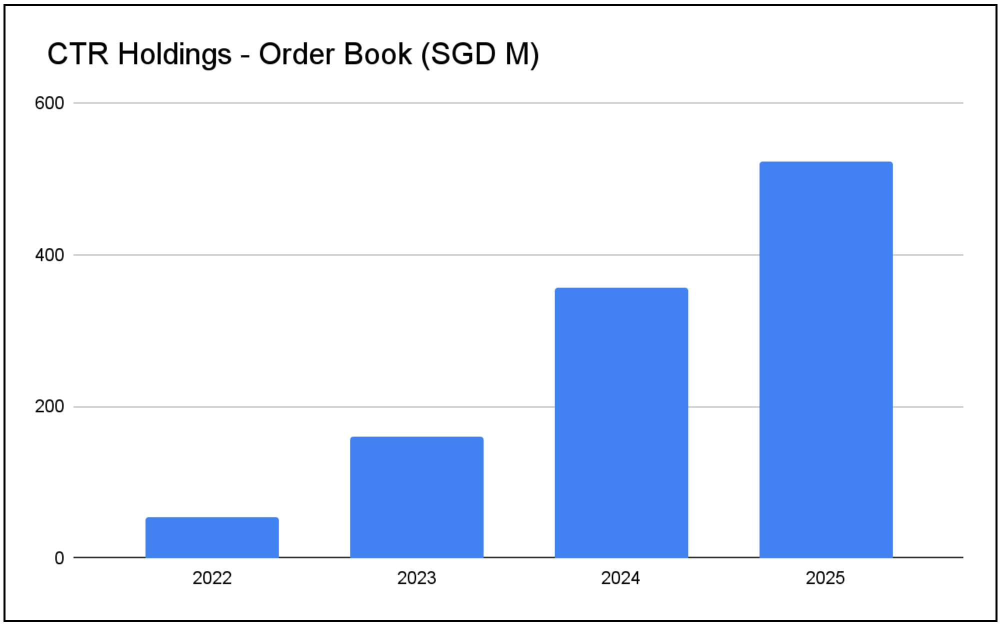
CTR Holdings Limited

CTR Holdings is a construction company in Singapore. They build structural frames, and handle finishing work like plastering and tiling.

Most of their projects are public. The Singaporean government is stable and pays on time. So cash flow is almost guaranteed.

We bought at an S$18M market cap. At the time, the company had:

- S$43M net cash
- S$8M yearly profit
- S$524M in signed projects waiting to be done



In a few months, the stock tripled. We sold it and bought into other companies.

Returns Going Forward

We had good returns over the past 4 years.

As our money grows, it gets harder to find and buy great deals fast.

But still, they exist.

As long as they do, we can find them. And if we can find them, we expect to beat the market over time.

Is The Market Efficient?

Knowledge is information with power to cause change.

Efficiency is the overlap between our knowledge and the market's. Inefficiency is the difference between them.

Edge is inefficiency in our favour. **Its size over time depends on how fast we correct errors relative to the market.**

What slows us most in correcting errors is the idea of the 'self'.

A thought's weight depends on how many other thoughts it connects to. Suffering is proportional to the weight of clashing thoughts. Resistance to correction depends on suffering.

The self is built from thoughts pointing to each other in a loop. So it carries the most weight. And the most resistance.

The illusion stops after the desire to see through it reaches its limit.

But only when seen clearly enough that it can't be unseen.

And as always...

Yours sincerely,

Gabriel Sammut

If you're a high net worth individual or family office, and want to partner with us, get in touch.

Footnotes - Added on February 24, 2026

All returns are in USD. Gross returns exclude fees. Net returns deduct a 1% annual management fee and a 25% performance fee (charged only on gains above a 6% annual hurdle). The S&P 500 benchmark assumes reinvested dividends and no fees, sourced [here].

2022 performance is from inception (February 2) through December 31. All subsequent years are full calendar years.

Returns from 2022-2025 represent separately managed accounts, and have been independently verified by The Spaulding Group. The code used to calculate returns is open-source, and available [here].

Returns from 2026 onwards represent Bilbel Capital Fund LP and will be audited annually by Cherry Bekaert LLP.

All the information shared here is accurate to the best of our knowledge. If something turns out to be inaccurate or incorrect, we'll make corrections and leave a note about the update.

If you have any questions, feel free to reach out to info@bilbelcapital.com

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