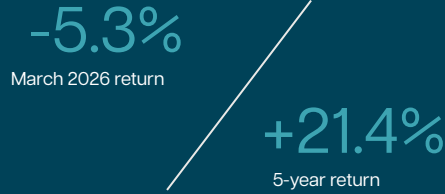


Monthly Report March 2026

Kavaljer Quality Focus



Monthly Commentary

Geopolitical unrest triggers declines and volatility

March was a particularly weak month on the stock market for large-cap companies, with the broad Stockholm Stock Exchange (OMXSPI-GI) dropping as much as -7.5% and the global index (Dow Jones Global Index) falling -7.6%. The small-cap index (Carnegie Small Cap Return Index Sweden) also declined, but not as sharply (-5.6%).

The stock market this month was heavily influenced by tensions between the US/Israel and Iran, along with the blockade of the Strait of Hormuz and widespread damage to oil infrastructure across the Middle East. The last two issues have led to higher oil and energy prices, which could further drive inflation.

Our response: careful analysis and measured action

As always, we believe that investors and funds should avoid trying to make macroeconomic predictions. The renowned economist John Kenneth Galbraith once said:

"The only function of economic forecasting is to make astrology look respectable."

We absolutely agree with the above, but we'd also like to add that it's crucial to consider how macro events might impact our holdings.

Our main takeaway is that the Iran conflict has already created uncertainty for both consumers and businesses, causing investment decisions to be postponed—especially for large-scale investments or in cases where the consumer or company can easily afford to wait.

This means that companies dependent on big-ticket decisions will likely see weaker earnings in 2026, while those with subscription models or recurring small purchases (think of supplements for your pet) are expected to continue as usual.

When the market gets rattled by macroeconomic worries, all companies tend to take a hit across the board, dragging down stocks by a similar amount. We use these moments to add to our positions in companies whose business models we believe will remain steady, even in uncertain times.

Fund Facts

| | |
|---------------------------|--|
| Launch Date | August 2019 |
| Risk Class | 4 out of 7 |
| Number of Holdings | 25-40 |
| Trading | Daily |
| Fund Rating (Morningstar) | ★★★★★ |
| Category | Sweden, small/mid cap |
| SFDR Classification | Article 8 |
| AUM | SEK 936 million |
| Management Fee | A-class (1.25%) I-class (0.75%) |
| Total Fee | A-class (1.59%) I-class (1.08%) |
| ISIN A-class | LU1232457504 |
| ISIN I-class | LU1232457686 |
| Portfolio Managers | Peter Lindvall, Håkan Telander & Jesper von Koch |

Risk Measures*

| | 3Y | 5Y |
|--------------------|-------|-------|
| Alpha | 4.11 | 4.23 |
| Beta | 0.87 | 0.82 |
| Sharpe-Ratio | 0.25 | 0.19 |
| Standard Deviation | 15.16 | 18.41 |

*Share Class A

Fund Performance

Kavaljer Quality Focus returned -5.3% this month, which is weak but outperformed the index. Over the past 5 years, the fund's total return is +21%, compared to +36% on the Stockholm Stock Exchange (OMXSPI-GI) and +3% for the small cap index.

The biggest positive contributors to the fund this month were Storytel and Xvivo. The largest negative contributors were Ratos, Inwido, and Valmet.

Changes and Holdings

Xvivo Perfusion is a new addition to the fund. Increased investments were made in Bahnhof, Vitec, BTS, ITAB, Bonesupport, and New Wave. No sales occurred.

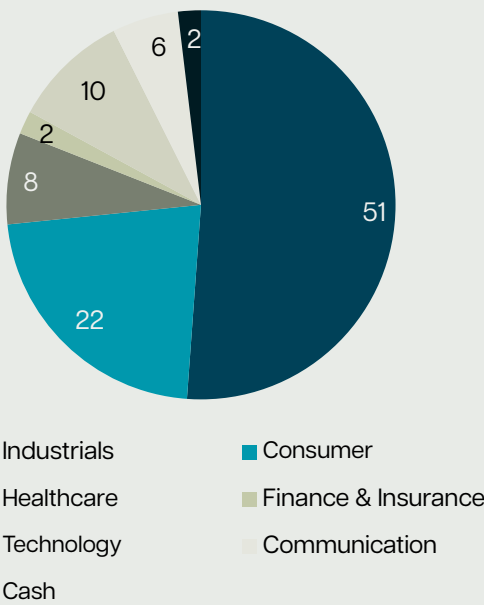
Equity allocation was 98%.

20 largest holdings (%)

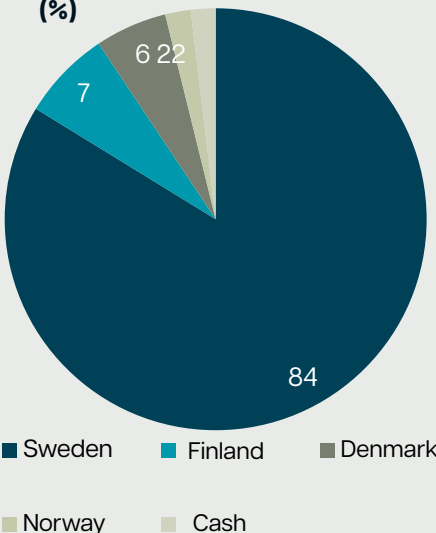
| | |
|--------------------|-----|
| Storytel | 5.0 |
| Securitas | 5.0 |
| New Wave | 4.4 |
| Carasent | 4.3 |
| Revolutionrace | 4.2 |
| Huhtamäki | 3.8 |
| Proact IT Group | 3.7 |
| Bravida Holding | 3.6 |
| Inwido | 3.4 |
| Ratos | 3.4 |
| Swedencare | 3.4 |
| Valmet | 3.1 |
| Alligo | 3.1 |
| Nederman | 3.1 |
| ITAB Shop Concept | 3.0 |
| Brdr. A&O Johansen | 3.0 |
| Bonesupport | 3.0 |
| Idun Industrier | 2.6 |
| Pandora | 2.5 |
| Xvivo Perfusion | 2.5 |

| | |
|--------------------------|------|
| Total portfolio holdings | 36 |
| Top 20 as % of total | 70.0 |

Sector distribution (%)



Geographical Distribution (%)



Return after fees



Top and bottom contributors of the month

| Companies | Return contribution |
|-----------|---------------------|
| Storytel | +0.3% |
| Xvivo | +0.2% |
| Idun | +0.0% |
| Ratos | -0.5% |
| Inwido | -0.4% |
| Valmet | -0.4% |

In-depth Reflections on Our Holdings

Carasent: Strong Q4 and Our Perspective on the Overstated AI Threat

Carasent, a provider of electronic health record systems for private clinics, reported a solid Q4, confirming its two key value drivers: growth and improved profitability. Revenue climbed 15%, with especially strong performance in the Nordics, while the underlying margin (free cash flow equivalent) reached a record 12%. Customer churn was 3% and is expected to decline further.

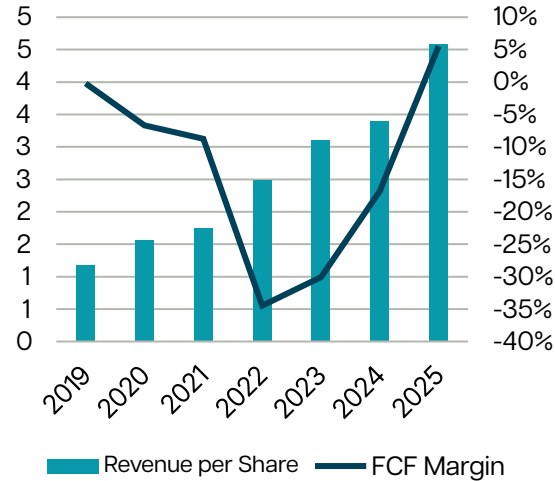
The stock, like other software companies, has struggled due to fears that AI will heighten competition. We believe the threat from AI to Carasent is overstated for several reasons:

- **Exceptionally High Entry Barriers:** Healthcare software faces extremely strict regulatory and technical requirements.
- **Data Control and Legal Restrictions:** Carasent manages sensitive patient data and, by law, cannot share this data with third parties. As a result, external AI agents cannot access their data, which makes it hard for clients to switch to an AI-driven alternative.
- **Deep Integration:** Over the years, Carasent has built a robust integration network with insurers, public organizations, quality registries, and more, making it difficult for customers to change systems.

All in all, the AI threat appears limited and may actually provide an opportunity for Carasent to further strengthen its already solid position.

Carasent represents 4.3% of Kavaljer Quality Focus.

Carasent: Profitability Continues to Scale with Stable Costs but Accelerating Growth



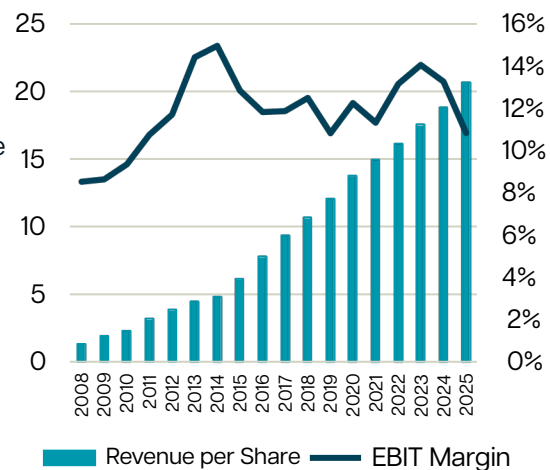
Bahnhof: A Welcome Return of an Old Favorite

In early 2025, we sold Bahnhof at around 60kr per share. At that point, we felt growth was slowing, profitability had likely peaked, and the potential for margin expansion seemed limited. The planned international expansion also added uncertainty. On top of that, the valuation had run up, resulting in both high uncertainty and a high price.

Much developed as expected—profitability and valuation have come down. At the same time, the international push now looks more promising and the focus is clearly on profitable growth. The uncertain Elementica project has also been replaced by a smaller and faster data center project in Gothenburg. Along with guidance for nearly 10% growth in 2026 and a 12% EBIT margin, we've decided to buy back the stock.

Bahnhof makes up 1.9% of Kavaljer Quality Focus.

Bahnhof: New Promising (and Profitable) Growth Initiatives at a Lower Valuation



| Time Period | 1 mo | Year to Date | 1 year | 3 years | 5 years | Since launch* | Annual Avg. Return |
|---------------------------------|-------|--------------|--------|---------|---------|---------------|--------------------|
| Kavaljer Quality Focus | -5.3% | -11.4% | -3.3% | 19% | 21% | 99% | 11.8% |
| OMXSPI-GI | -7.5% | -1.2% | 11.6% | 33% | 36% | 102% | 12.1% |
| Dow Jones World Index | -7.6% | -3.2% | 18.6% | 50% | 42% | 88% | 10.8% |
| Carnegie Small Cap Return Index | -5.6% | -7.6% | -2.9% | 9% | 3% | 54% | 7.3% |

* August 5, 2019

CAG Group: Solid IT Consultant with Structural Tailwinds at a Low/Reasonable Valuation

CAG Group stands out as one of the most reliable IT consultancies, boasting the strongest and most consistent track record in the sector. Defense contracts account for 35% of revenue, offering promising long-term structural growth. Around 20% of the company’s earnings are “recurring revenues” from operational agreements with banks and financial institutions.

The company’s growth strategy combines organic expansion with acquisitions. Its financial target is to grow by 10% annually, with at least half of that coming from acquisitions. Acquired companies operate fully independently. Since its IPO in December 2018, CAG has made eight acquisitions, though the most recent was nearly three years ago. The company remains actively on the lookout, especially for firms with expertise in defense or banking and finance.

Strong Financial Track Record

Earnings per share have shown solid long-term growth, averaging +10% per year over the past decade and +8% per year over the last five years. Since 2019, the EBITA margin has remained steady, landing between 7% and 9%, with a dip to 7% in 2021.

Valued at Around 7x Our Estimated Earnings Capacity

EBITA for 2025 came in at 75msek with a margin of 8.8%. In February, an acquisition in the banking and finance sector added another 22msek to EBITA (valued at 7x EBIT including contingent consideration). We believe a slight economic upturn, coupled with more working days in 2026 compared to 2025 (a key factor for consulting firms), could drive organic growth up to 10% this year.

Unlike many consultancies, CAG has prioritized retaining expertise over cost-cutting in recent years, which is likely to boost profitability as growth continues. This is thanks to higher utilization rates and spreading team lead costs over a larger pool of billable consultants. As a result, we estimate an additional 15–20msek in EBITA from organic development in 2026.

After the recent acquisition, the company’s net cash position is roughly zero. However, assuming a net debt/EBITDA ratio of 1.0x is reasonable, we see potential for another 15msek in operating profit through further acquisitions.

All in all, our projections suggest CAG could achieve 120–130msek in EBITA, which would translate to roughly 7x EV/EBITA and a P/E of 7 (excluding goodwill amortization).

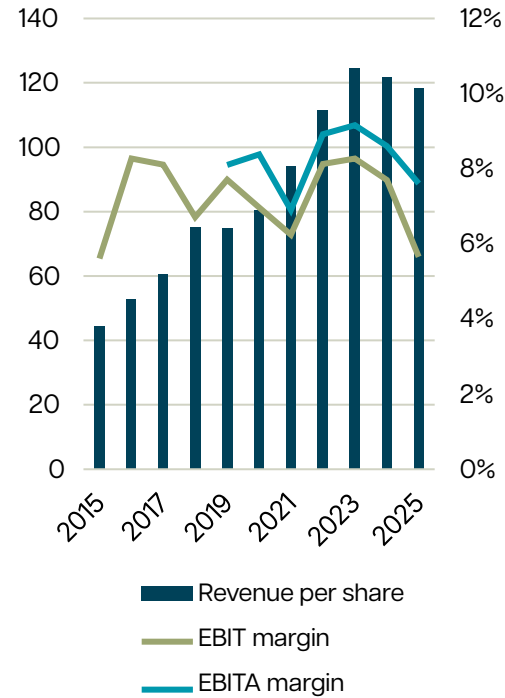
Conclusion: Too Cheap for This Level of Stability and Structural Growth

In summary, CAG Group is a highly stable company financially and is well positioned to grow through both acquisitions and structural momentum from its strong presence in the defense sector. We appreciate the company’s somewhat “Småland-style” frugality, which is also evident in how it approaches acquisitions—always considering quality, culture, and price.

We believe the company deserves to trade at around 12x earnings, offering a solid margin of safety. This stock is unlikely to skyrocket overnight, but we see a good chance of annual returns in the 15–20% range over the next 2–5 years.

CAG Group represents 2.3% of Kavaljer Quality Focus.

CAG Group: Strong and steady track record, but earnings currently under pressure from economic downturn



| Earnings Capacity | EBITA, MSEK |
|--|-------------|
| EBITA 2025 | 74 |
| Clara Acquisition | 22 |
| Organic growth 2026 incl. additional consulting days | 7 |
| Margin expansion from higher capacity utilization | 10 |
| Acquisition potential up to Net Debt/EBITDA 1.0x | 15 |
| EBITA Earnings Capacity | 128 |
| Free cash flow | 104 |
| Valuation | |
| Market cap | 778 |
| Estimated net debt | 100 |
| Enterprise value | 878 |
| EV/EBITA | 6.8 |
| P/E (adjusted for goodwill amortization) | 7.5 |

Bravida: Strong Q4 performance with solid profitability and order intake, plus significant acquisition potential for 2026

Bravida, the installation company, experienced a 2025 marked by declining installation volumes and organic downturn. However, Bravida consistently improved its profitability. The full-year EBITA margin climbed from 5.2% to 5.9%, and earnings per share rose by 16%.

The 'margin before volume' strategy, with selective project choices and cost-saving measures, remained a central theme throughout the year.

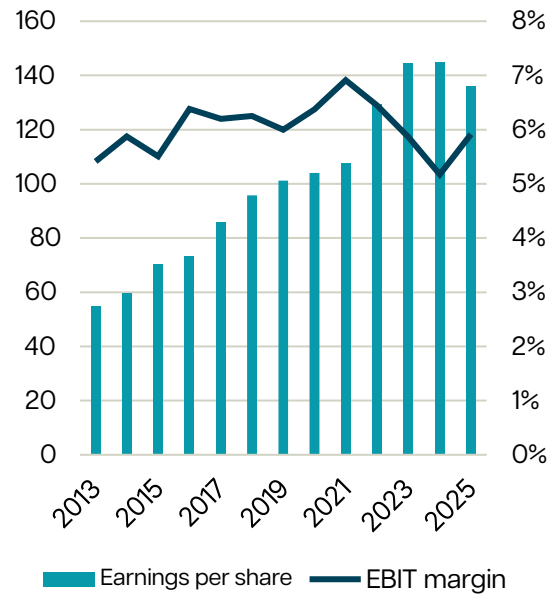
Q4 stood out sharply compared to previous quarters this year. EBITA-margin reached an impressive 8.1% (7.5% in Q4 2024), and cash flow was exceptionally strong, bringing net debt/EBITDA down to a low 1.1x. This paves the way for multiple acquisitions in 2026. Finally, order intake was robust, increasing by 11% compared to the previous year.

Looking ahead, management believes the market downturn has ended, though a clear recovery in installations isn't expected until the second half of 2026.

Following the report, the stock performed strongly and reached 107kr. With a forward-looking earnings per share of 6.5kr, this resulted in a P/E of 16.5. After a period of historically low valuation for Bravida shares, the stock was, in our view, more reasonably valued, which led us to reduce our holding.

Bravida now makes up 3.6% of the Kavaljer Quality Focus portfolio.

Bravida: Steady growth over time. Profit dip expected to end soon.



In-depth reflections on sustainability

Bravida stands out from a sustainability perspective as well

Bravida installs and maintains electricity, heating, and ventilation systems—key components that manage a building’s energy use. This makes the company a clear beneficiary of the EU’s Building Directive (EPBD), which mandates energy efficiency by law.

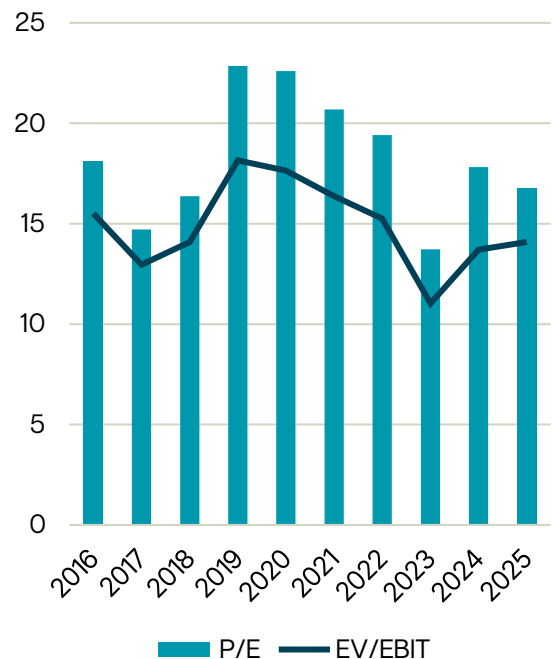
The directive, now part of Swedish law, sets standards for both new and existing buildings. Energy consumption must drop by 16–22% between 2030 and 2035, and the pace of renovations needs to more than double. Fossil-based heating systems are being phased out, while requirements for solar energy, charging infrastructure, and smart controls are being introduced.

These measures align closely with Bravida’s core business and drive both installation and service revenues. Each upgrade also generates repeat service opportunities, providing stable and growing income.

The market is fragmented, which benefits larger players like Bravida as regulations become stricter. While short-term demand may be affected by a weak construction cycle and political delays, the long-term drivers are structural.

As energy efficiency shifts from an option to a requirement, Bravida’s services become indispensable.

Valuation in line with historical levels, but on depressed earnings



Dometic: Cancelled Dividend Raises Questions About Debt Levels

Dometic announced it will not distribute the planned dividend. This decision comes as the company already carries a high debt load (net debt/EBITDA 3.3x after Q4'25) alongside growing geopolitical uncertainty, which seems to be making consumers more hesitant. In a worst-case scenario, profits could take a hit and a new share issue might be necessary.

Signs of a slowdown are now visible in the US, including OEM manufacturers switching to a four-day workweek in March. Additionally, retail sales in the RV and Marine segments fell 15–17% in January. Historically, however, Dometic has shown strong ability to quickly adjust its cost base during periods of weaker demand.

Right now, the market is pricing in a new share issue, but we don't share that view. The company breached its covenants during the pandemic but was exempted from a forced share issue at that time. Dometic's cash flow remains solid even in a downturn, and a new share issue wouldn't affect the company's ability to generate profits. That's why we believe the banks will give Dometic leeway even if covenants are breached. For now, we're staying the course and waiting for better times for the company.

Dometic makes up 2.2% of Kavaljer Quality Focus.

“The most significant investment mistakes come not from a lack of information or analysis, but from psychological factors.”

Howard Marks

Nacka Strand, April 2, 2026

Peter Lindvall, Håkan Telander, Jesper von Koch, Jakob Wahlberg & Jasmine Seyfi (ESG)

For more details about the fund, visit <https://kavaljer.se/>