



REQ

Investing with Insight



REQ CAPITAL
INVESTING WITH INSIGHT

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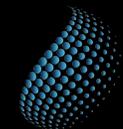
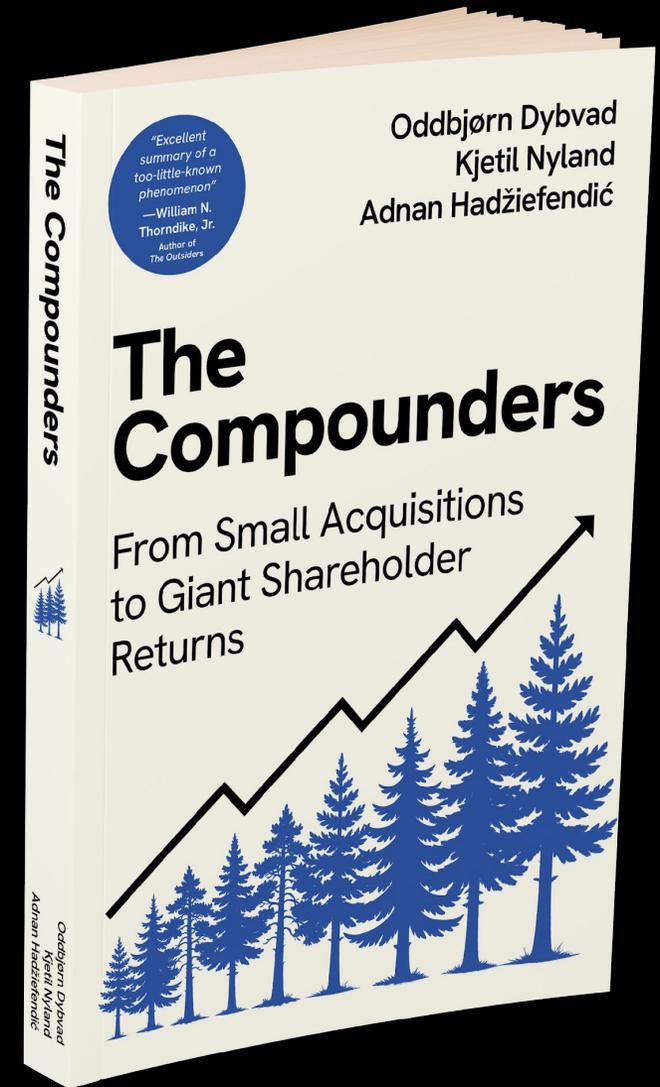
Strategy: Investing in Acquisition-driven Compounders

A flywheel of compounding



The Compounders

From Small Acquisitions to Giant
Shareholder Returns



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Three Key Questions We Will Answer Today.

1

**What supports
the structure of
the Fund today?**

(A look at our
fundamental engine).

2

**Are short-term
headwinds a
problem?**

(Addressing Röko, AI,
and Vertical Software).

3

**Why is today an
attractive entry
point?**

(Unpacking current
valuations vs. actual
growth).

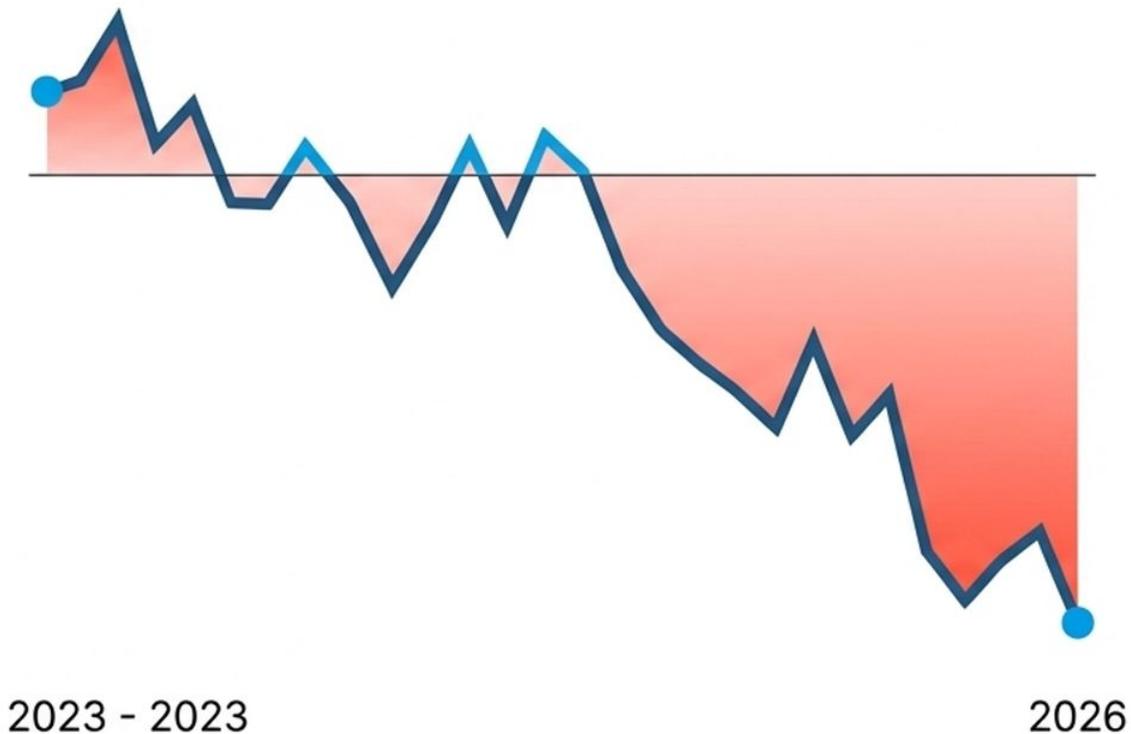


Market Flows: Two Temporary Headwinds



- **The Main Driver:** A massive global rotation toward mega-cap AI.
- **Regional Impact:** Severe outflows in Swedish small-cap funds have systematically pressured valuations, regardless of individual company performance.

Total flows small cap funds Sweden (SEKbn)



Headwind #1: Temporary Cyclical Issues

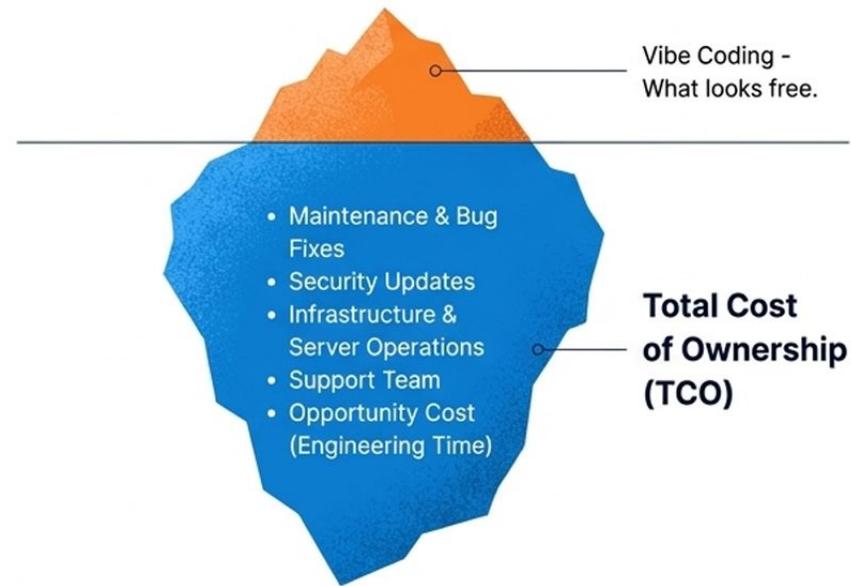
- We are witnessing distinct cyclical issues and temporary “wait and see” effects across specific sectors.
- This has temporarily impacted holdings like Judges Scientific and IMCD.
- Significant outflows from Swedish small-caps have also pressured valuations, a trend that has historically reversed.
- **The Takeaway:** These are typical business cycle pauses and flow reversals, not structural broken theses.



Headwind #2: AI Fear Within Software

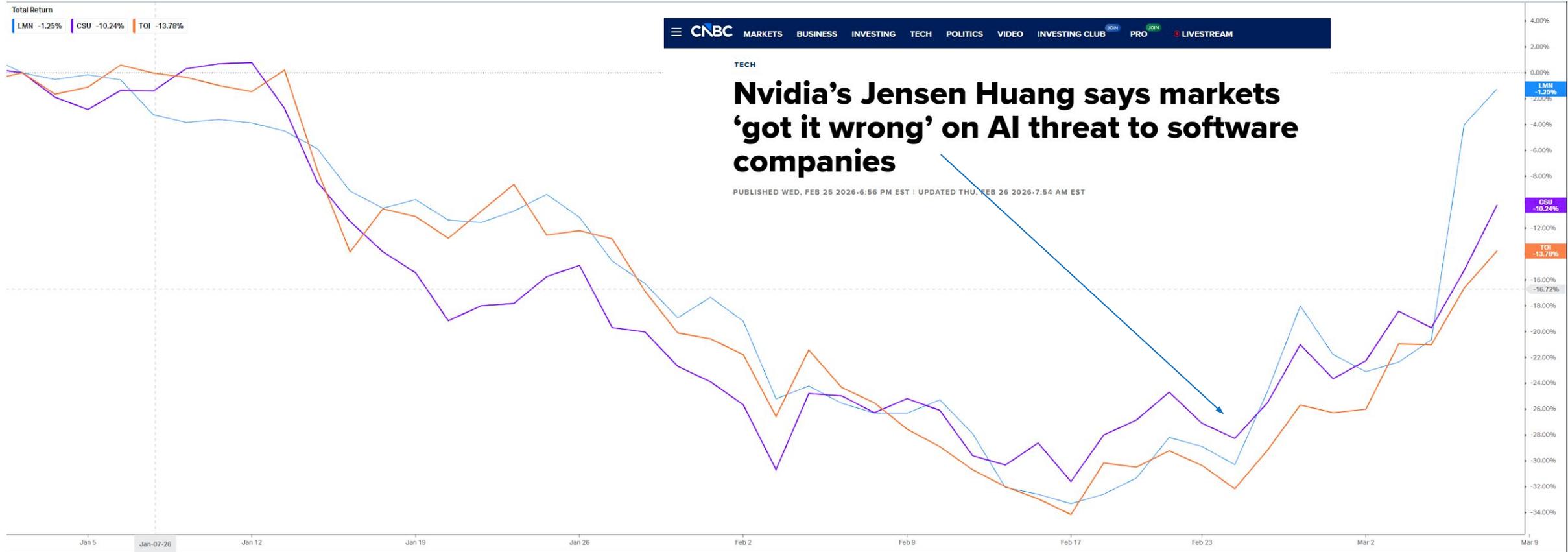
- The market assumed AI coding would commoditize our vertical software holdings.
- **The Reality:** Writing code is only the tip of the iceberg. The true value lies in the TCO below the surface: Maintenance, Security, Infrastructure, and Support. Mission-critical software is highly resilient.

Vibe Coding / Total Cost of Ownership (TCO) Iceberg



Strong Results and Reversing Flows

Lumine, Constellation, Topcius (YTD)



What Has Happened: Strong Results and Reversing Flows

Lumine

March 2023 (from Volaris Group)

\$217m ↑ **+153%**
YoY

FY 2025 FCFA2S

\$67m ↑ **+48%**
YoY

Q4 2025 FCFA2S

2%

FY Organic Growth (1% FX-adjusted)

Topicus

February 2021 (European spin-off)

€218.7m ↑ **+23%**
YoY

FY 2025 FCFA2S

€51.2m ↑ **+40%**
YoY

Q4 2025 FCFA2S

4%

Organic Growth
(Q4 & FY 2025)

~20%

Total Revenue
Growth



REQ Global Compounders: Top 10 Positions

Company	Business	Capital allocation		Growth		Insider ownership (votes)
		ROCE last 10y	Avg. reinvestment rate last 10y	EPS CAGR last 10y*	Avg. acquisitions per year last 10 years	
Lifco	Niche companies within dental, demolition/tools and systems solutions	22 %	78 %	19 %	11	51 %
Constellation Software	Customized and mission-critical software solutions across multiple sectors	43 %	90 %	22 %	43	6 %
HEICO	Niche aerospace parts and control systems	17 %	95 %	14 %	4	23 %
Lumine Group	Customized software solutions within media and telecom	15 %	100 %	N/A	2	77 %
Indutrade	Niche companies with high-tech components	23 %	76 %	14 %	12	27 %
Addtech	High-tech products and solutions in the manufacturing and infrastructure sectors	28 %	66 %	16 %	11	5 %
Lagercrantz Group	Niche technology group offering value-creating technical solutions and products	26 %	68 %	16 %	6	7 %
Diploma	Small, niche acquisitions within life sciences, seals and controls	18 %	57 %	13 %	2	0 %
Momentum Group	Specialized industrial companies concentrating on aftermarket components	30 %	100 %	19 %	8	3 %
Brown & Brown	Diversified insurance broker	14 %	84 %	18 %	16	17 %

*For companies with <10 years of history, only available historical data has been used

Compelling Entry Point with Strong Earnings Growth

15%

Earnings Growth (CAGR)

18%

ROIC (Net income / ND+EQ)

88%

10-Year Cash Conversion
(FCF/Net income)

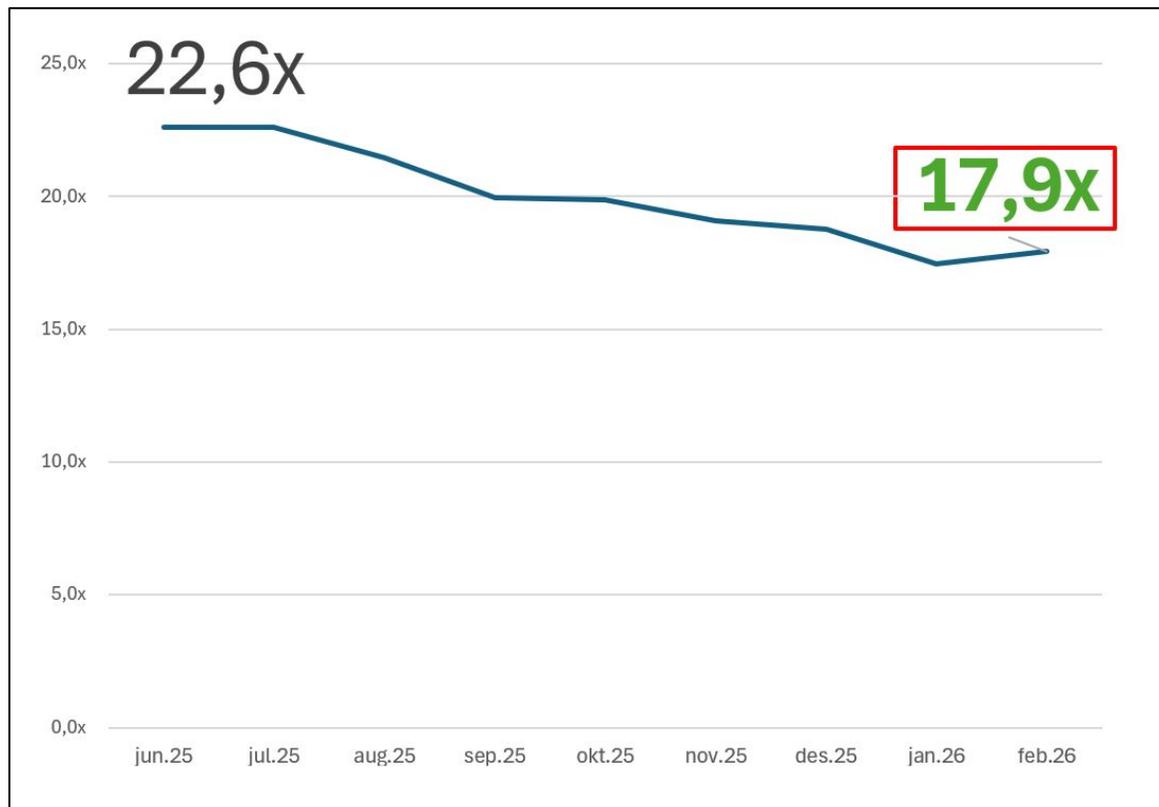
16.9%

EBIT-margin



Compelling Entry Point with Strong Earnings Growth

EV/NTM EBITA (weighted)



Fundamental performance

	Sales	EBITA	# shares	FCF / share	ROIC*
2014	100	100	100	100	24 %
2015	104	116	100	105	31 %
2016	108	118	94	120	21 %
2017	125	140	100	133	22 %
2018	141	172	101	141	24 %
2019	152	199	101	239	22 %
2020	153	209	108	201	22 %
2021	179	255	108	249	21 %
2022	226	326	108	237	22 %
2023	265	394	109	401	21 %
2024	303	447	121	420	20 %
Q3 2025	327	470	122	446	19 %
CAGR	11,6%	15,5%	1,9%	14,9%	
10y					
CAGR	12,5%	15,4%	2,1%	15,9%	
5y CAGR	17,3%	18,6%	2,5%	18,3%	
3y CAGR	14,4%	14,2%	4,4%	25,9%	

* EBITA / (Net debt + Equity + added back accumulated amortization of intangible assets)

Compelling Entry Point with Strong Earnings Growth



1. What supports the structure of the Fund today?

Strong earnings growth with high reinvestment rates drive a highly resilient compounding flywheel.



2. Are company specific headwinds structural issues?

No, they are cyclical and temporary.



3. Why buy today?

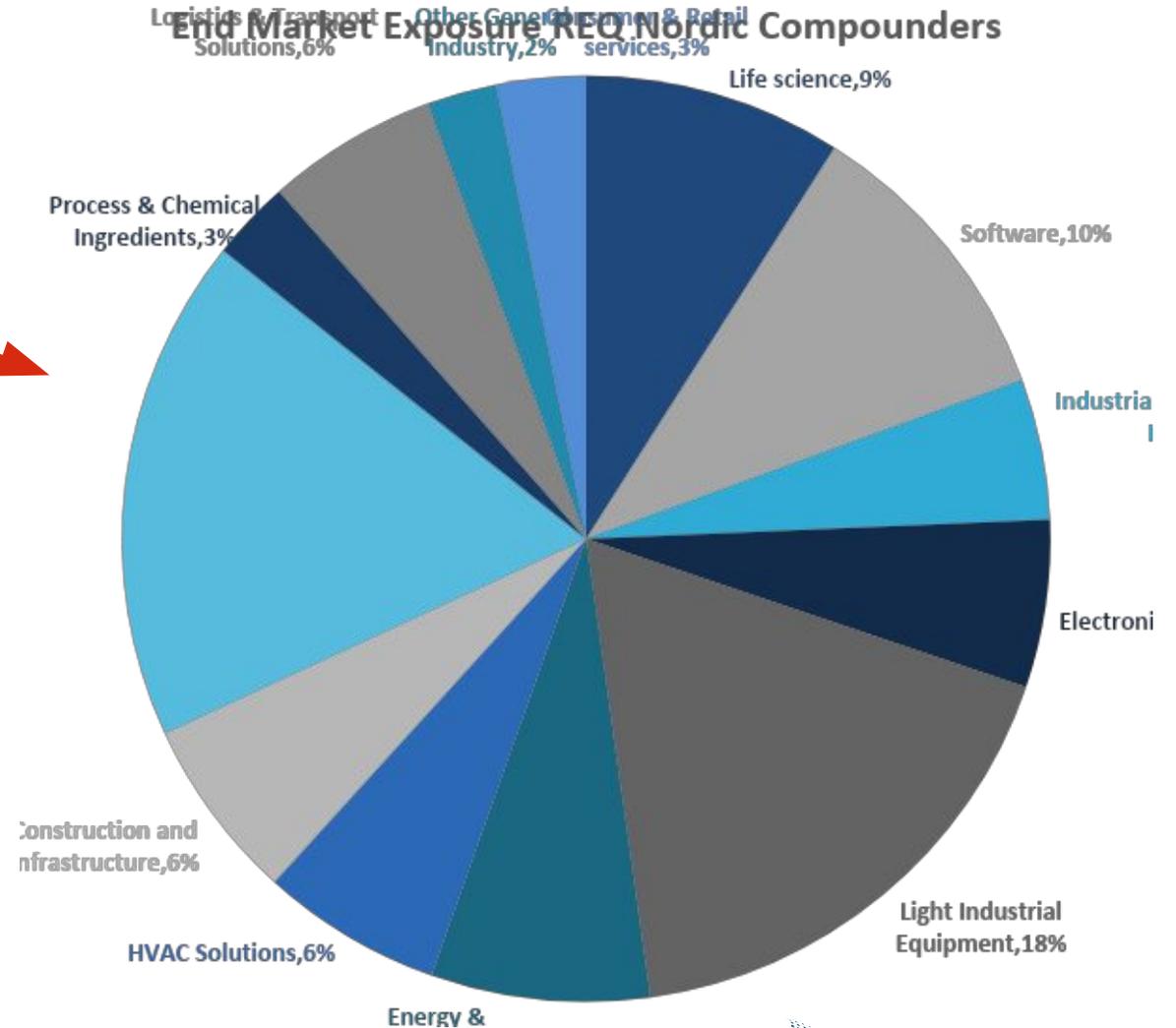
Because of strong earnings growth and the multiple has fallen to a very attractive entry point of 17.9x EV/EBITA.



REQ Nordic Compounders – strong earnings growth

Short facts about REQ Nordic Compounders fund

- 24 holdings – all holdings are Swedish
- Well diversified portfolio in terms of end-markets
- Average CEO tenure: 8 years
- Median market cap EUR 1.5bn
- Modest leverage of ND/EBITDA of c. 1.5x (average)
- Reinvestment rate 75%
- ROIC 18%
- Historical* FCF per share growth: 16%
- Historical* EBITA growth: 17%
- Strong cash conversion of usually +100% of net income
- Attractive starting valuation



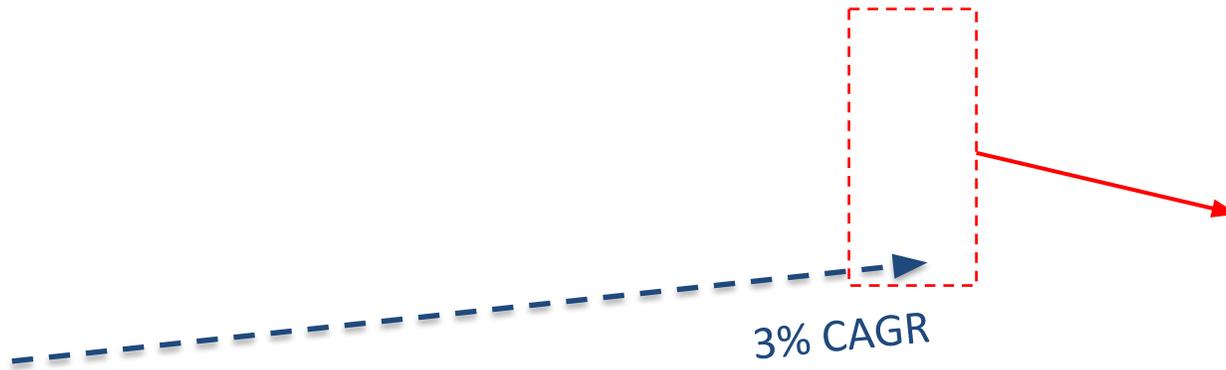
* Historical = since 2014.

FCF Per share and EBITA growth last 5 years are 32% and 19%, respectively

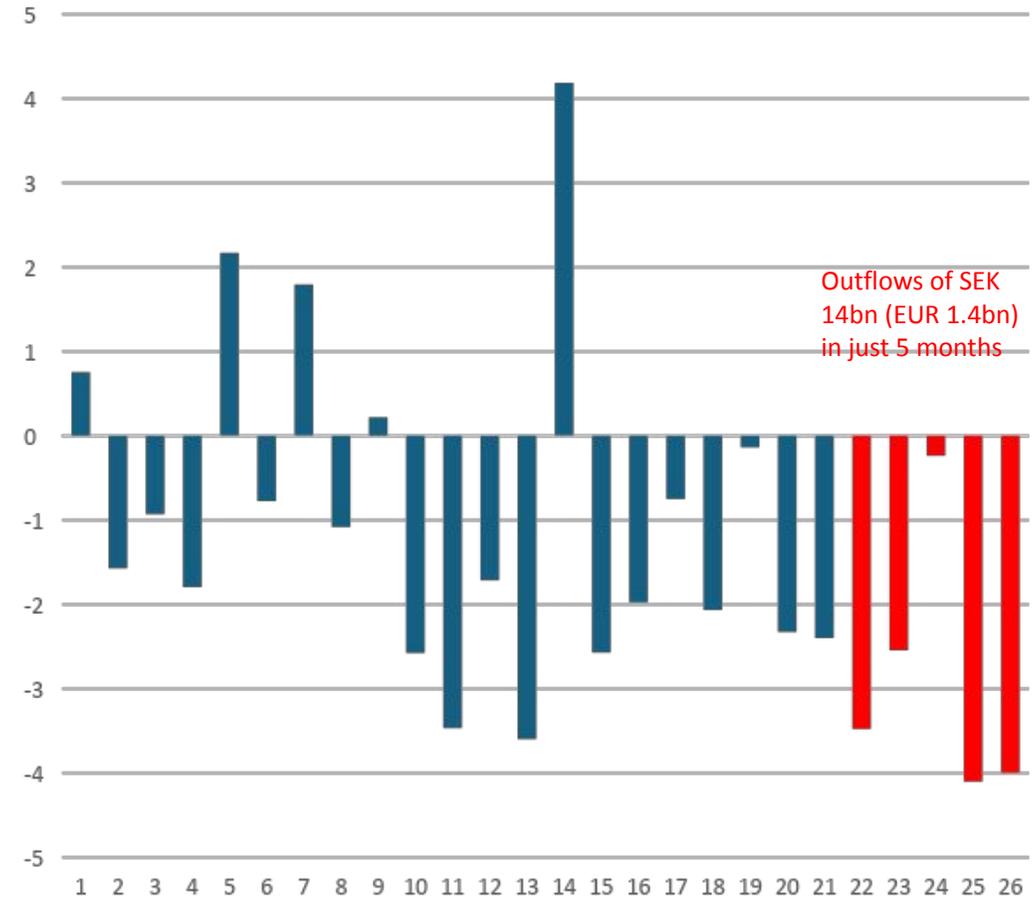
REQ Nordic Compounders – short term pressure on small cap funds an opportunity

Launch date 25th January 2022

Fund performance since launch

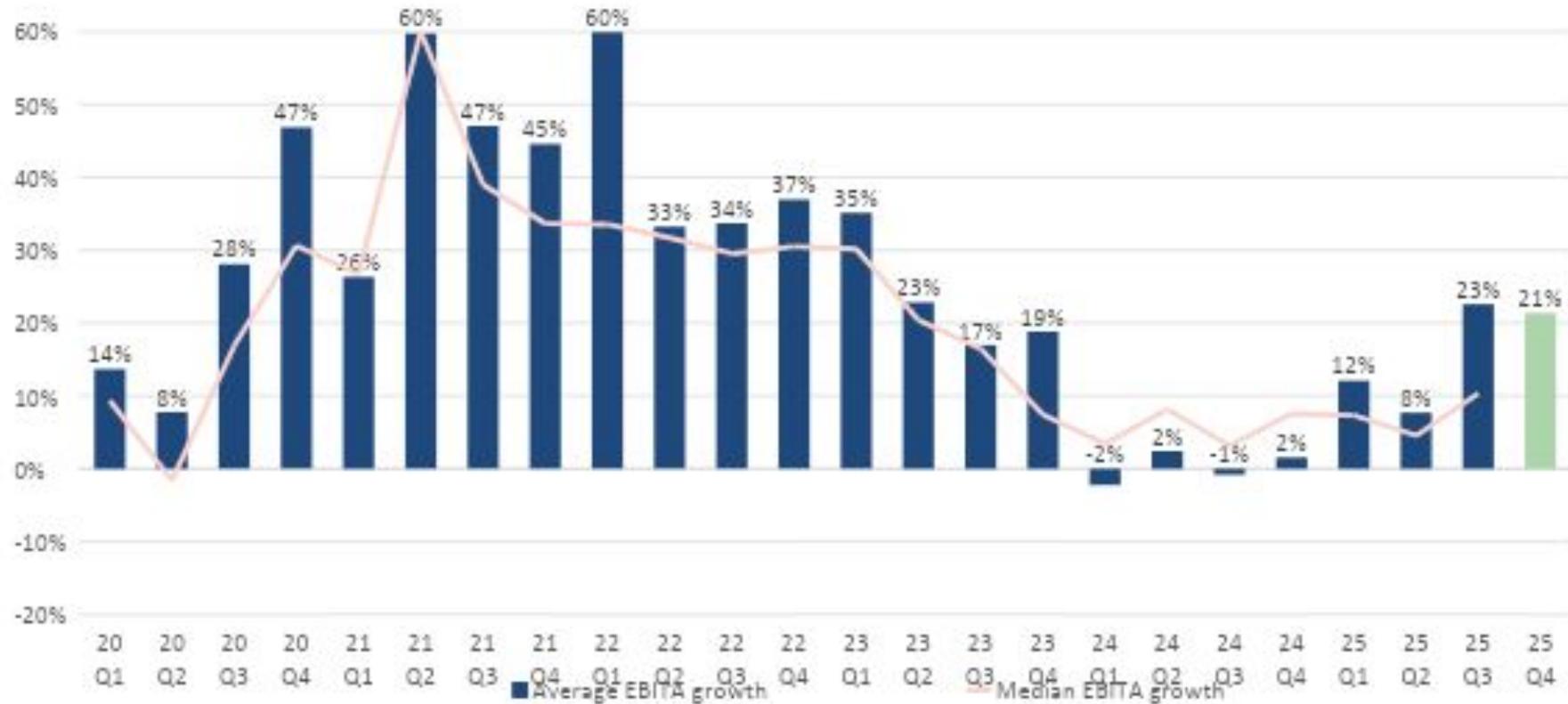


Total flows small cap funds Sweden (SEKbn)



REQ Nordic Compounders – positive trend of earnings growth in 2025

REQ Nordic Compounders - Average EBITA growth



REQ Nordic Compounders – attractive entry valuation for long-term investors

EV/EBITDA TTM

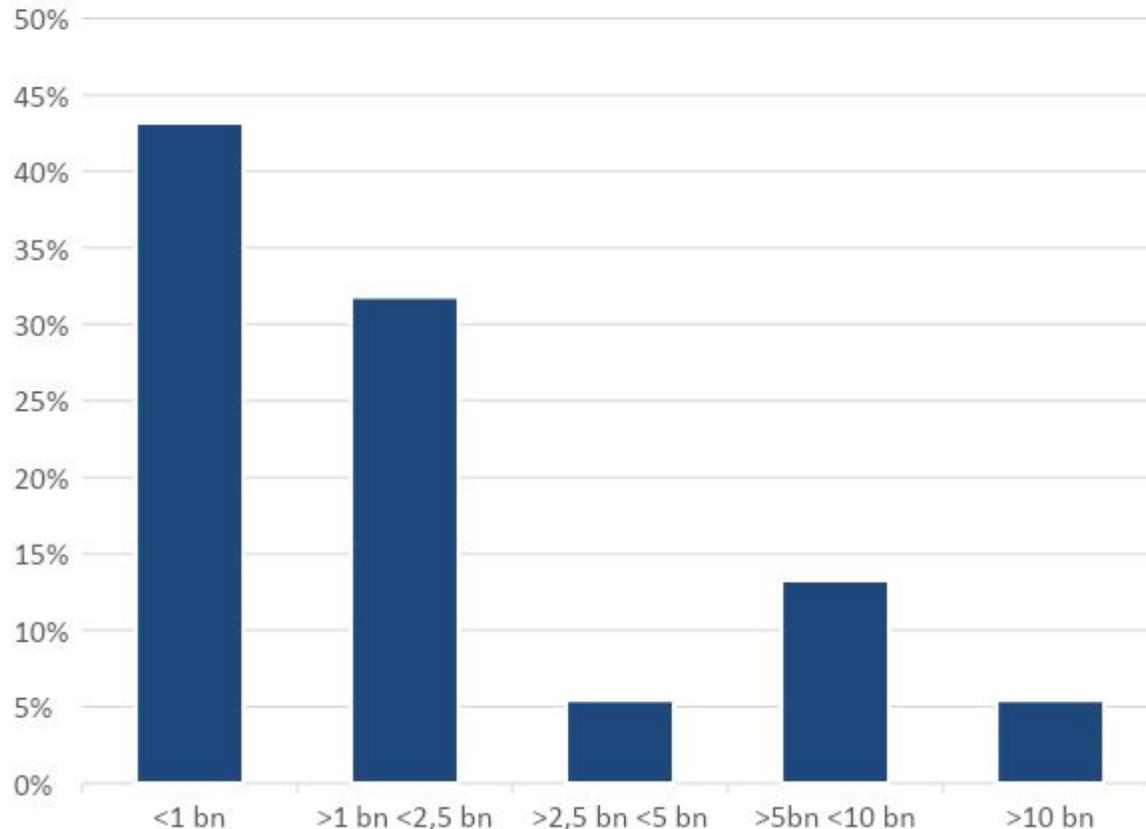
REQ Nordic Compounders - Average TTM EV/EBITDA



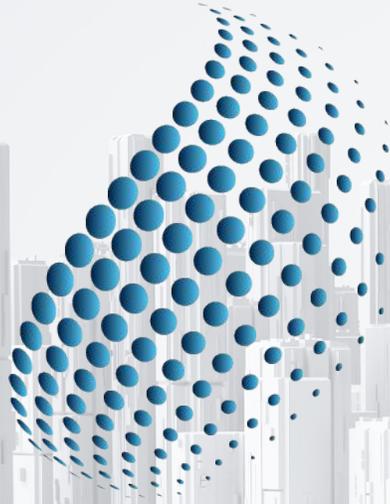
	Total Shareholder Return since Dec 2016	CAGR
Medcap	1282%	33%
Addtech	864%	28%
Lagercrantz	728%	26%
Bufab	672%	25%
Lifco	577%	23%
Beijer Ref	548%	23%
Berner Industrier	546%	23%
OEM	519%	22%
HMS Networks	443%	20%
Addnode	439%	20%
Atlas Copco	301%	16%
Indutrade	285%	16%
Bergman & Beving	168%	11%
Beijer Alma	152%	11%
Xano Industri	151%	11%
Nibe	101%	8%
Average	486%	19%

REQ Nordic Compounders – companies in the fund are still very small on average

Market Cap Distribution as % of portfolio (MEUR)
REQ Nordic Compounders



- Utilizing all our knowledge and experience to deliberately tilt the fund towards smaller companies (median market cap EUR 1.5bn) that have decades of potential compounding in front of them.
- Achieved while not compromising on track record as our companies have, on average, been listed for 19 years.
- Smaller companies also tend to come with lower valuations and higher growth.



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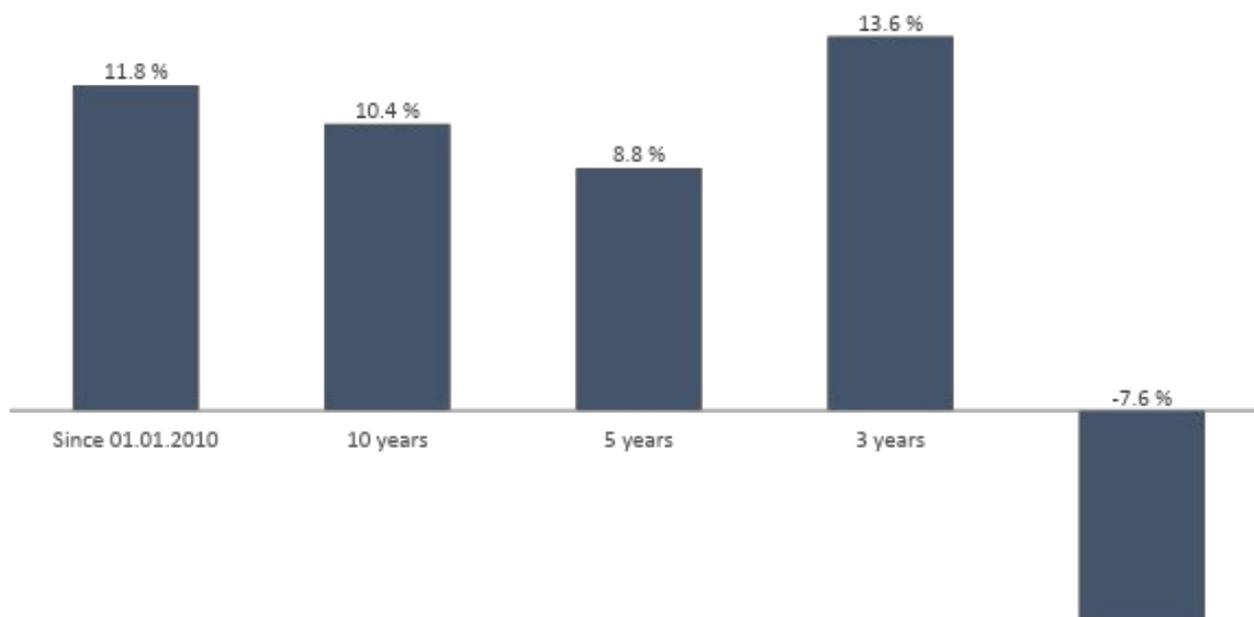
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Global track record (EUR)

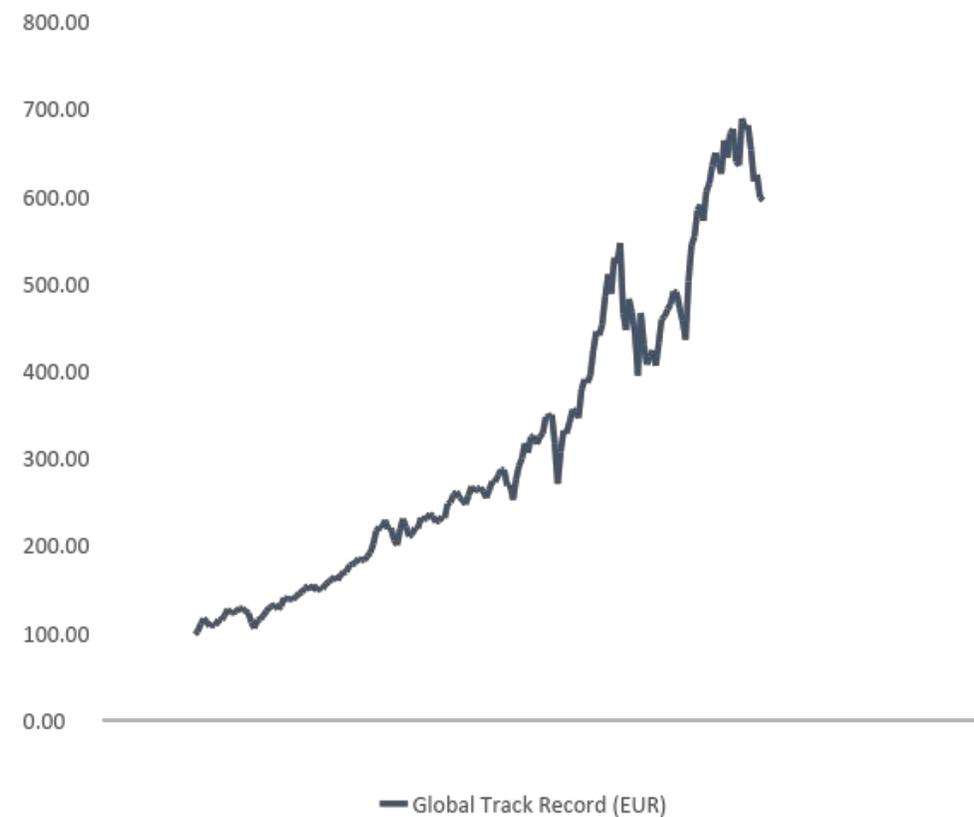
Historical figures

Annualized returns

■ Global track record



Historical performance (indexed)

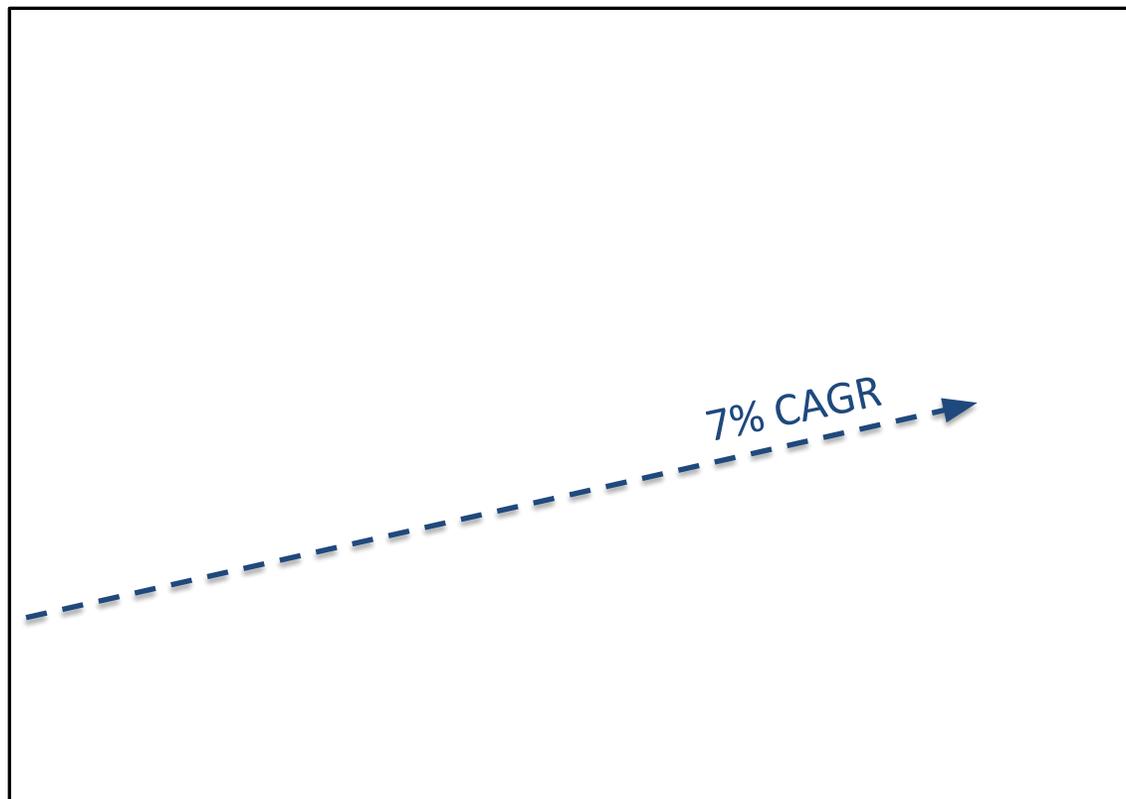


*Global Track Record 01.01.2010 – 15.06.2021. REQ Global Compounders 15.06.2021 – 31.12.2025. All figures in EUR.

REQ Global Compounders since launch

Launch date 15th of June 2021

Fund performance since launch



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Indutrade	Niche companies with high-tech components	4.7 %	23 %	76 %	14 %	12	27 %
Addtech	High-tech products and solutions in the manufacturing and infrastructure sectors	4.6 %	28 %	66 %	16 %	11	5 %
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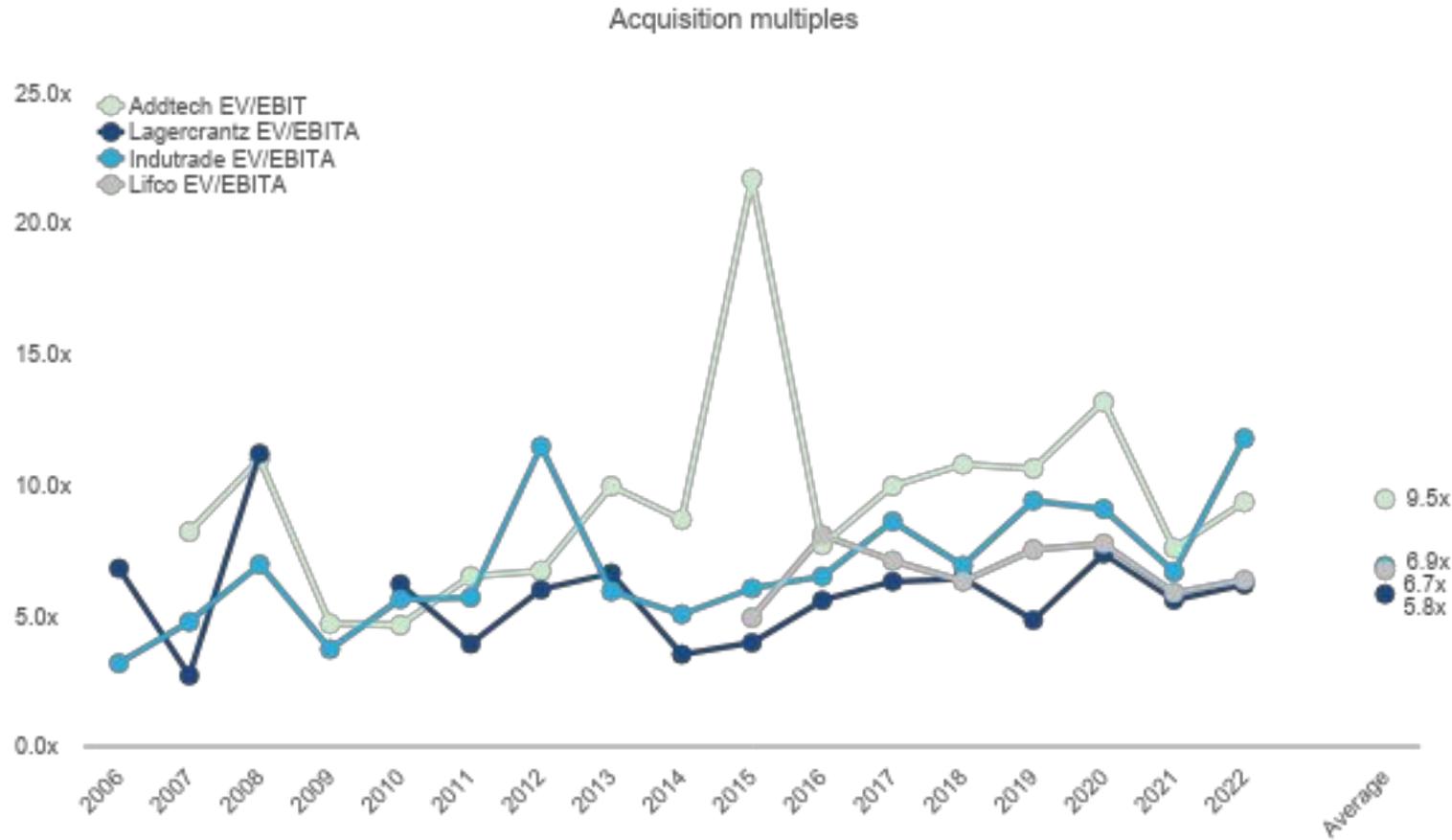
Recognizing Common Red Flags

In our framework: Often related to M&A strategy and management



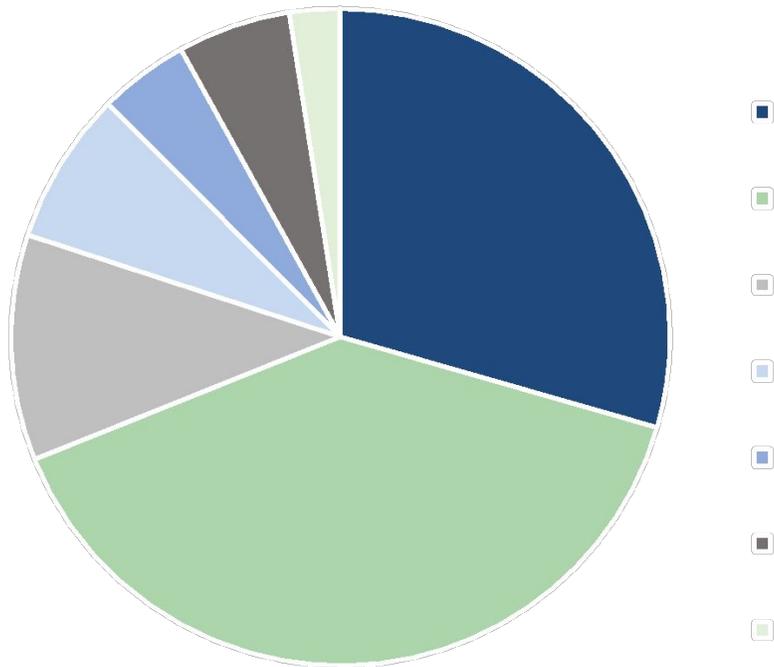
Acquisition multiples

Acquisition multiples for Addtech, Lagercrantz, Lifco & Indutrade

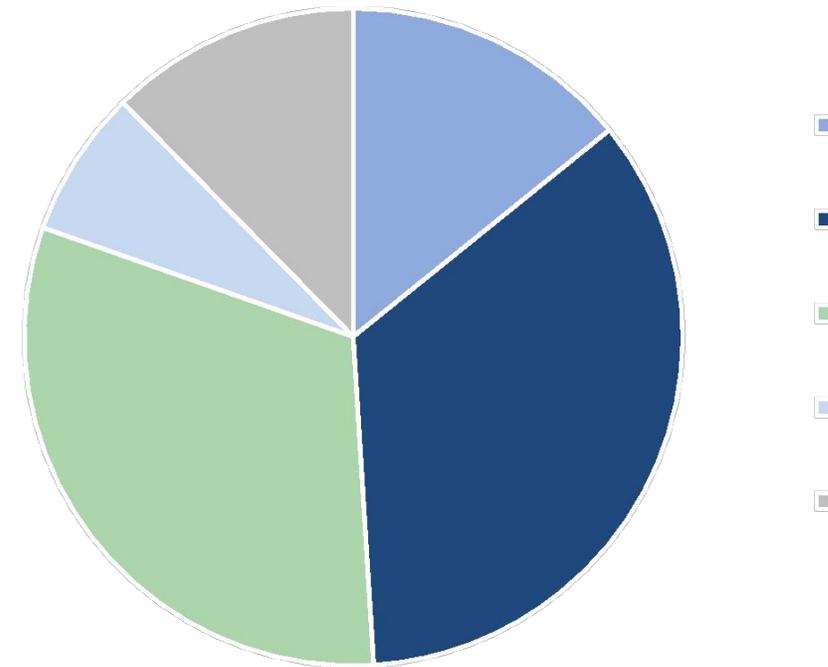


REQ Global Compounders – Sector and geographic distribution

Revenue distribution by sector



Revenue distribution by geography



Recognizing Common Red Flags

In our framework: Often related to M&A strategy and management

