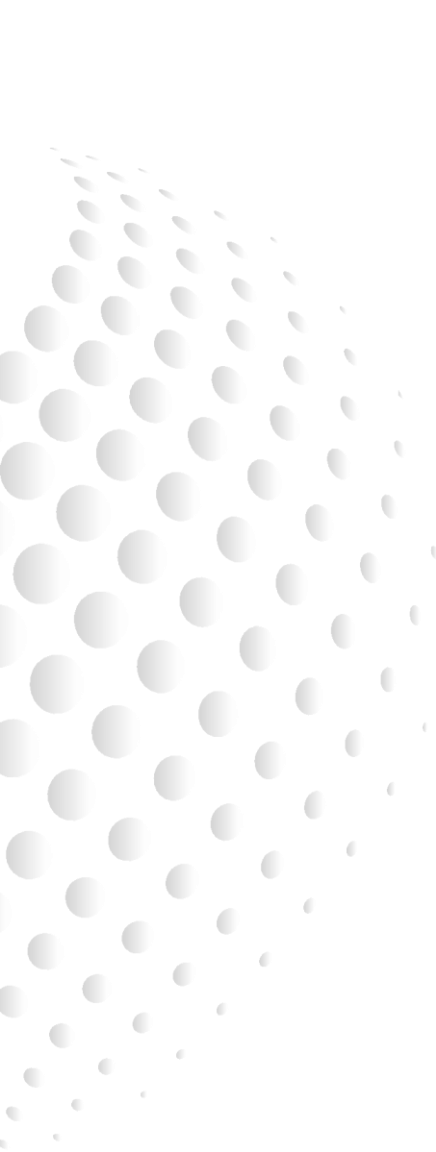




Wie Softwareunternehmen von AI profitieren

REQ Global Compounders

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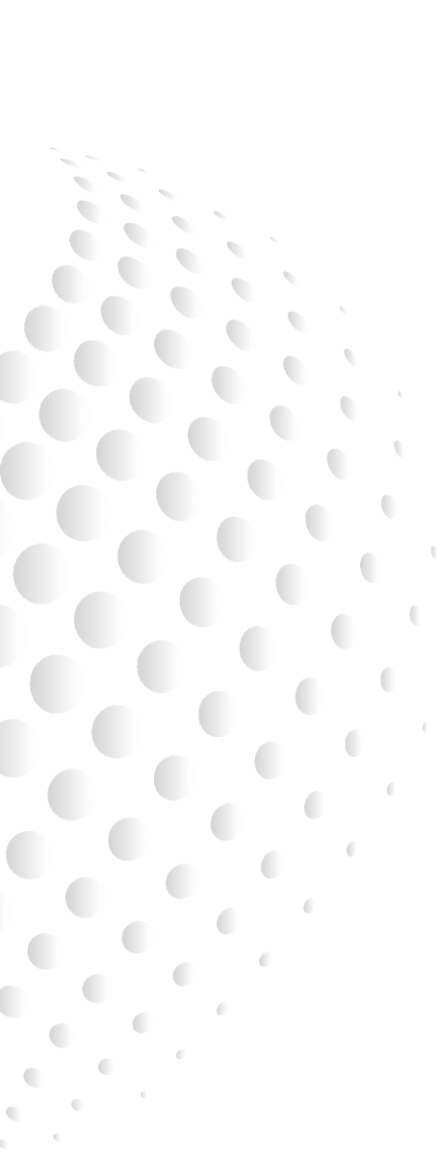
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History lesson

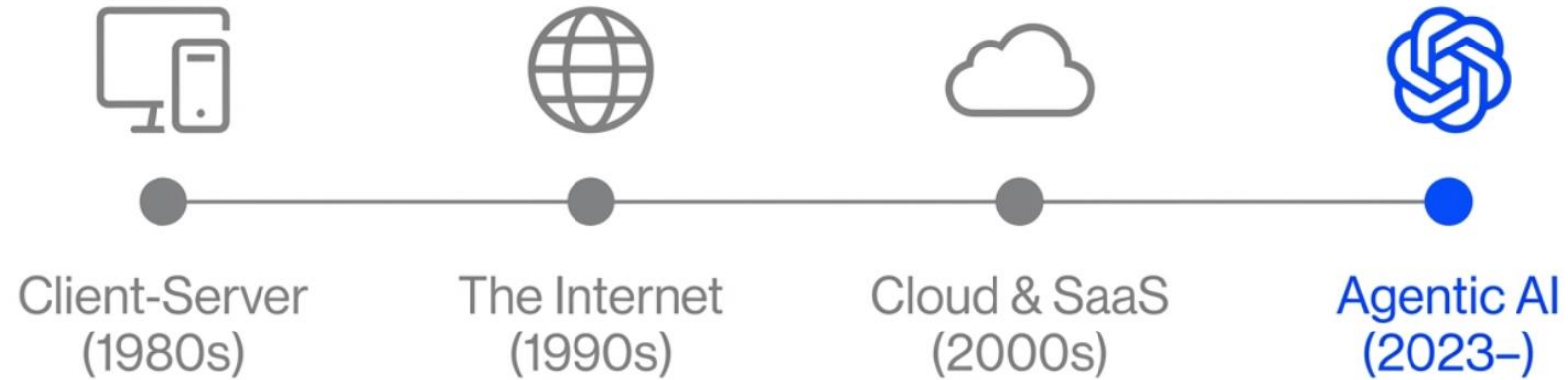


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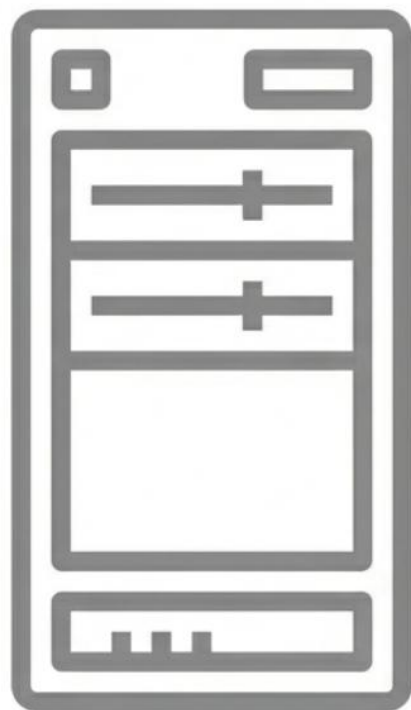
INVESTING WITH INSIGHT

We have seen four major waves over the last 45 years

Every technical innovation has been an opportunity



It All Began with the Mainframe...



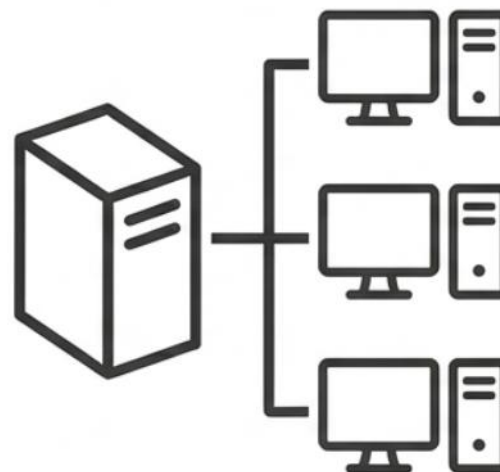
In the 1980s, enterprise computing was centralized. SAP R2 was the dominant force.

Then, a fundamental architectural shift created new value

SAP generated a lot of value moving its entire client base to the new architecture

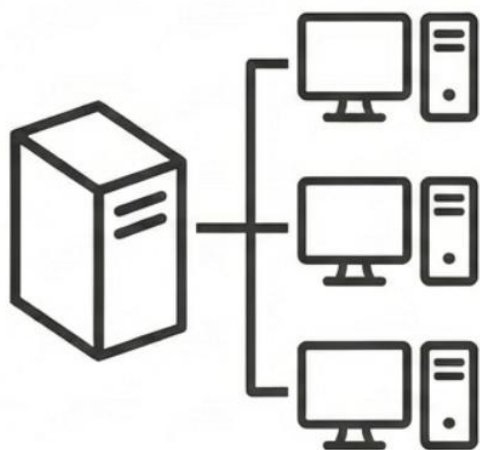


Mainframe
(SAP R2)

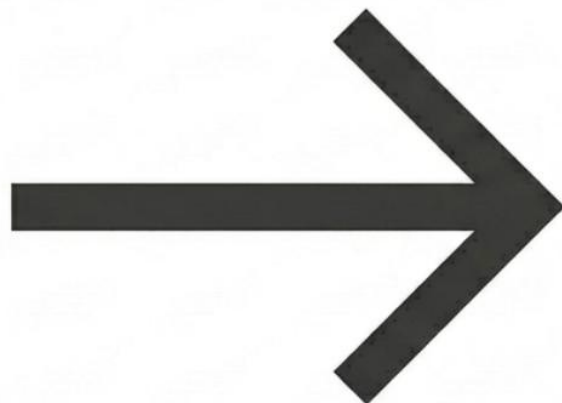


Client-Server
(SAP R3)

The next wave followed the same pattern



Client-Server
Technology



Web Applications

Shifting to Higher-Value Recurring Revenue Streams

CSI broadly benefited from the creation of new business models (web apps)



Shifts Across Industries

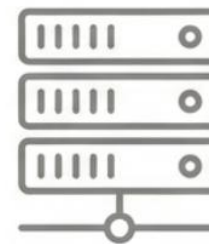
We have seen four major waves over the last 45 years



3G → 4G → 5G



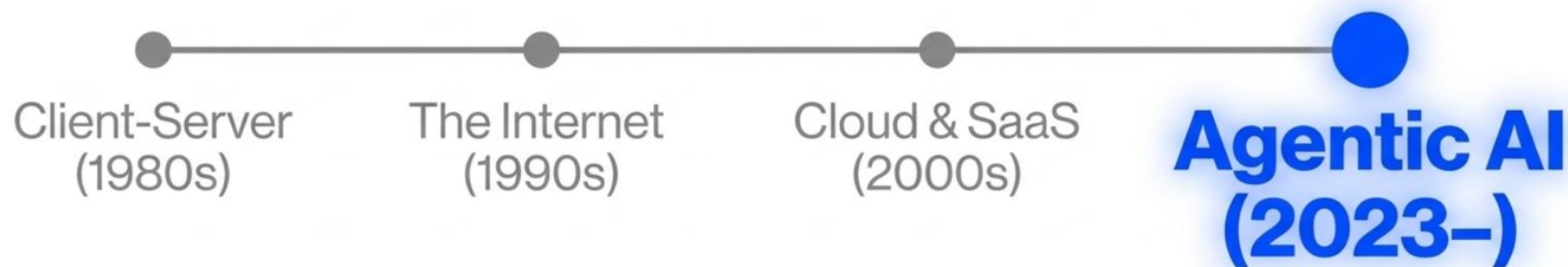
Analog →
Digital →
→ Streaming



Mainframe →
Client-Server
→ Cloud/SaaS

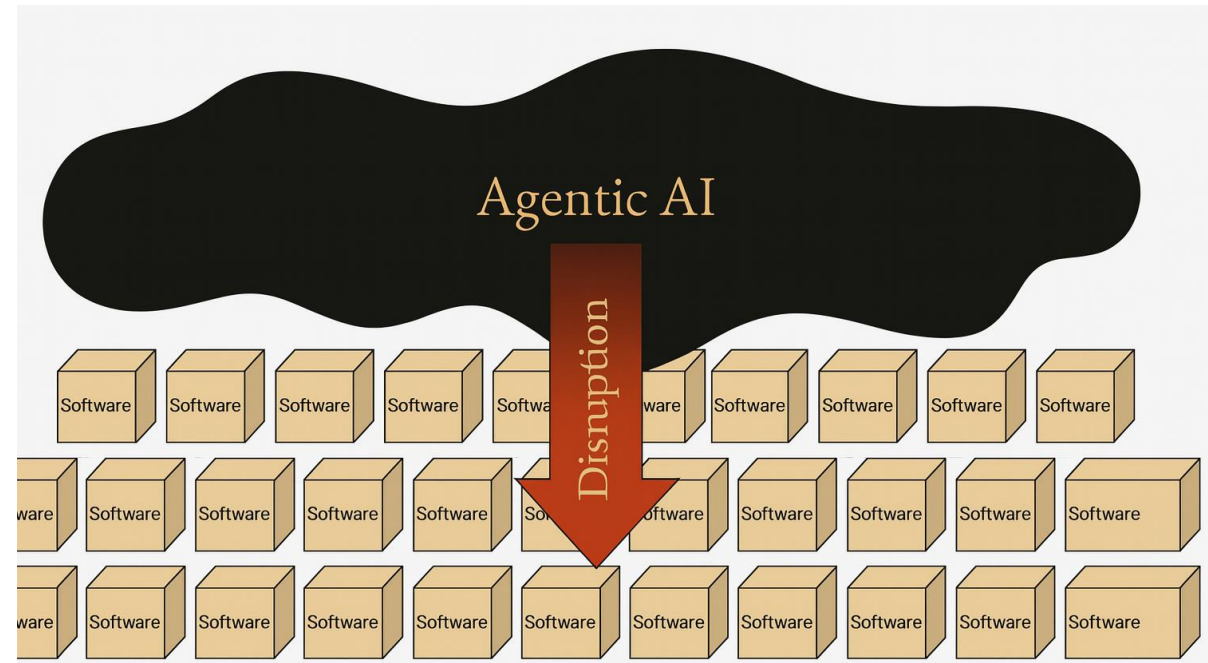


And now, the next architectural shift is here



Narratives Drive Prices — And Prices Drive New Narratives

- “The notion that business applications exist — that's probably where they'll all collapse in the agent era. Because if you think about it, they're essentially CRUD databases with a bunch of business logic. The business logic is all going to these agents.” - Satya Nadella (BG2 with Bill Gurley & Brad Gerstner, Dec 2024)
- “Right now we're in an agentic AI moment where the industrial software complex of the 20th century is being integrated, and in some cases, **drastically reduced in numbers of applications** and moved to the ServiceNow platform,” – Bill McDermott (CEO of ServiceNow, former CEO of SAP)
- “**I would go short vertical SaaS, vertical software companies**, and long cloud providers that have AI tools and platforms that will allow enterprises to build custom applications in a low-cost, low-code way.” – David Friedberg, Allin podcast, Episode 160 (Predictions for 2024)



How SaaS (Point Solutions) Might Get Replaced

According to Nadella and other business leaders

Legacy Point Solutions



Translate this phrase.



Find a photo of an astronaut.

The Agentic Layer



Translate this document and summarize the key findings.



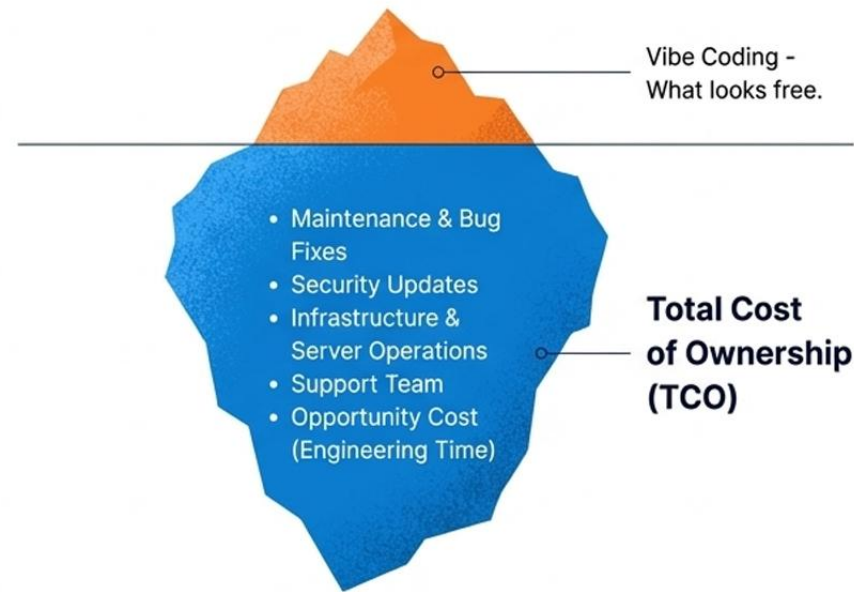
Generate a photorealistic image of an astronaut riding a horse on Mars.

Generalist agents are replacing specialist applications.

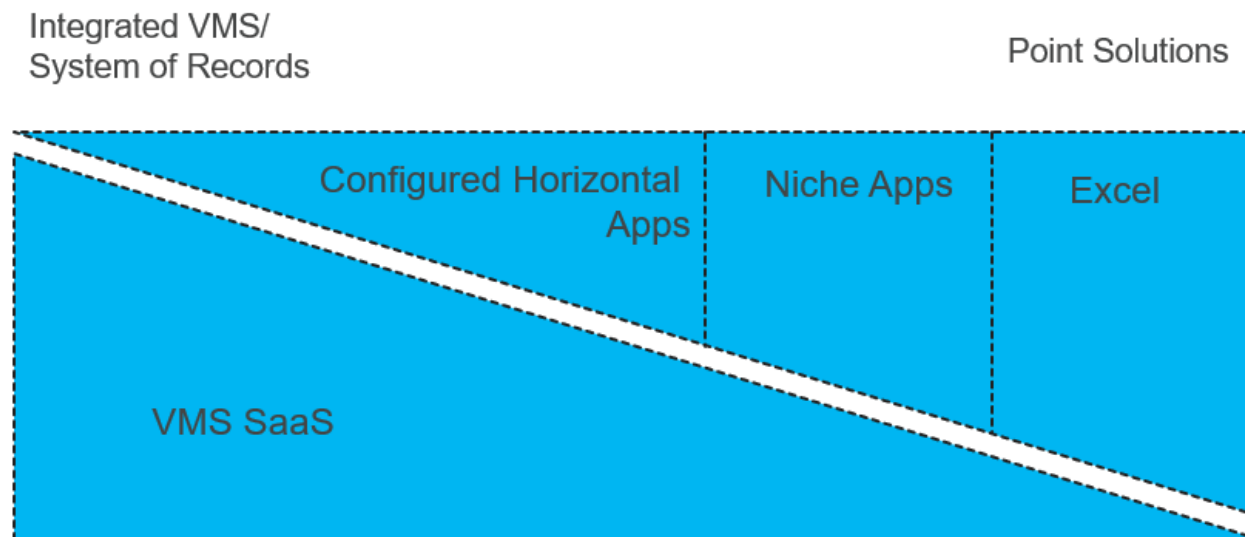
Vibe coding

- 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.

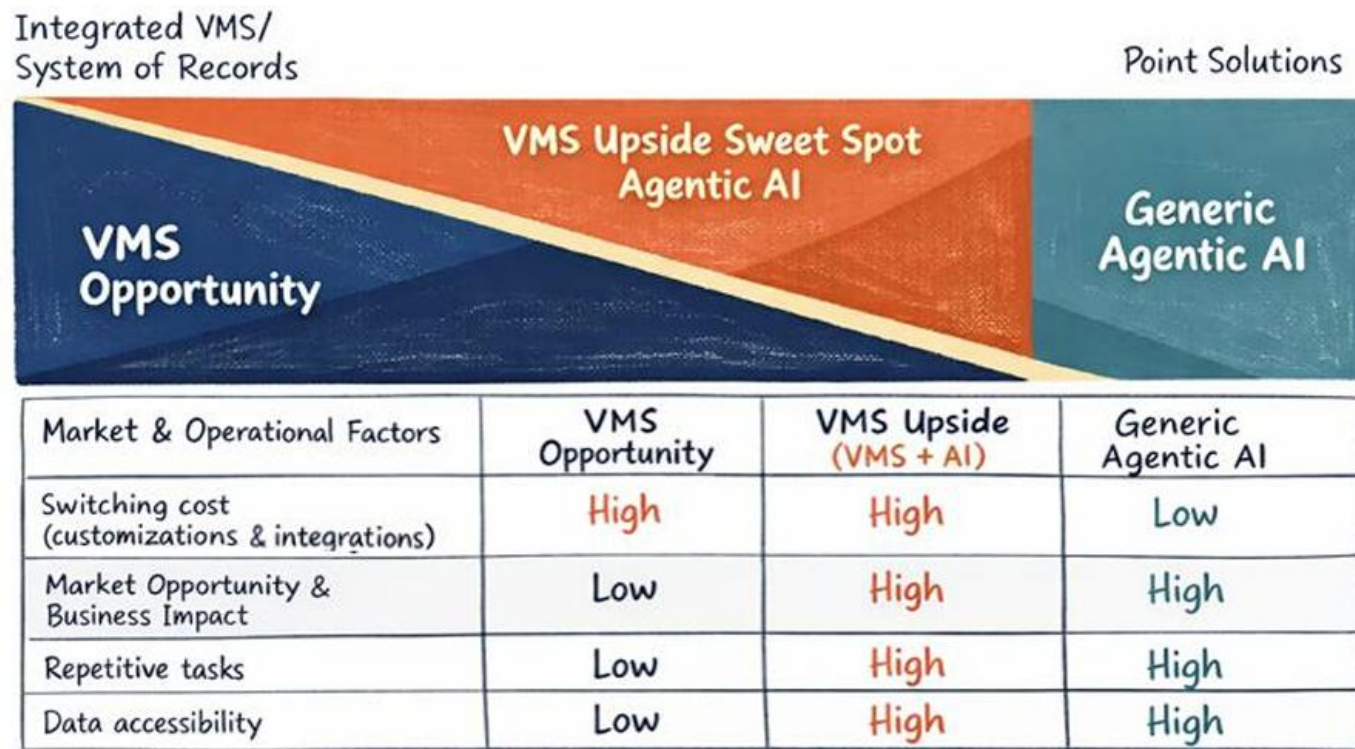
Vibe Coding / Total Cost of Ownership (TCO) Iceberg



VMS Today: A Hodgepodge of Applications



Likely Scenarios?



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Disruptor Perspective: What Is the Price to Win?

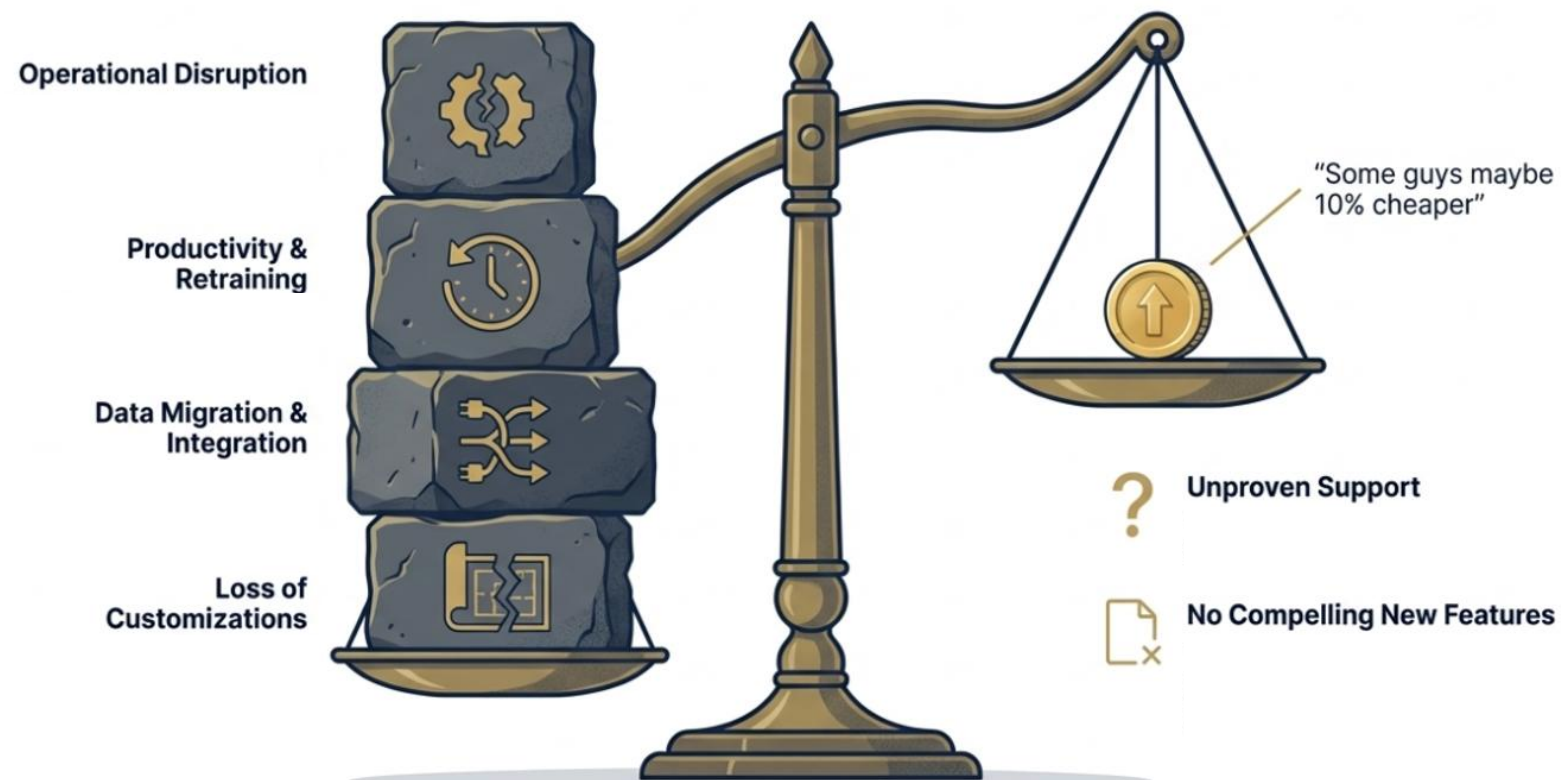
AI lowers the cost of building software, but it doesn't change the size of the market

- **VC Mismatch:** Investors need huge markets to justify investments. They fund broad tools (e.g., CRM) rather than small niche markets only allowing a few players (\$10M–\$50M).
- **Small Prize Problem:** Disrupting many tiny, profitable niches isn't worth the effort for well-funded AI companies.
- **Micro-SaaS Reality:** Solo developers can clone code with AI, but they can't replicate enterprise sales relationships or handle complex legacy data migrations required in niche markets.



Client Perspective: Does Switching Make Sense?

The hassle of switching versus the savings



Constellation Software AGM 2026

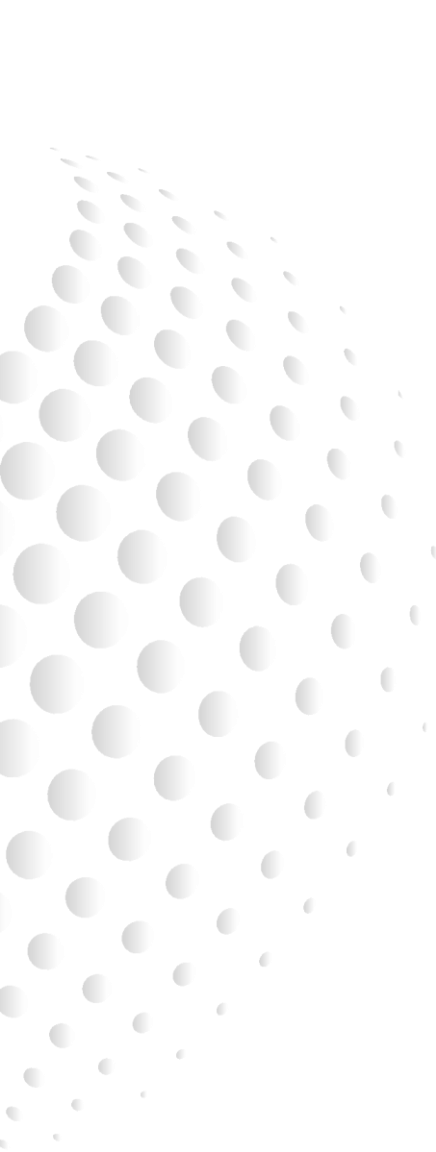
- **AI is the main theme**, but so far more as a productivity and innovation driver than as a proven new revenue source.
- **A decentralized model may be an advantage in the AI shift**: 1,600+ small units can experiment closely with customers and scale what works.
- **AI is dramatically changing development speed**: some cases went from development cycles measured in months to hours, and from “system of record” to “system of action”.
- **Customer distribution and trust remain most important**: building the product isn’t enough; success requires customers to actually adopt it.
- **Incumbent advantages persist**: long procurement processes, regulatory requirements and liability mean new AI-native competitors won’t necessarily win quickly.
- **Capital allocation remains the core focus**: M&A is prioritized over buybacks, and PEMS is used as a new tool to invest in publicly listed software companies.
- **No clear AI-driven churn yet**, but management appears aware of the risk and is monitoring developments closely.



AI examples mentioned during CSI AGM 2026

	Lumine Group (CelCat / Bullet)	ClickDimensions	AssetWorks
Vertical Context	Academic Timetabling	Marketing Automation	Government Fleet Asset Management (14M+ Assets)
Radical Intervention	Halted 100% of R&D for one month to execute an intensive portfolio-wide AI learning sprint.	Abandoned basic lookup chat to build an autonomous problem-resolution agent in 4 weeks.	Pulled three early adopters out of daily roles to “break the system” and automate an 8-minute manual workflow.
Cycle Time Compression	Dev Cycle: Months → Hours Annual Roadmap: 1 Year → 1 Week	Resolution Time: 4 Hours → Instant (24/7, multi-lingual capabilities)	Legacy UI Rewrite: 18 Mos / 10 Devs → 3 Mos / 3 Devs Prototype Sprint: 4 Days
Commercial Impact	Rebuilt platform into a predictive System of Action. Annual revenue growth accelerated from 12% → 23%	Autonomously resolves 82% of all Tier-1 support tickets, freeing human capital for Tier-2/3 relationship scaling.	Radically accelerated customer workflow; effectively doubled customer share of wallet and investment .





Lumine Group: Going Deep Into the Back Office of Enterprise Clients



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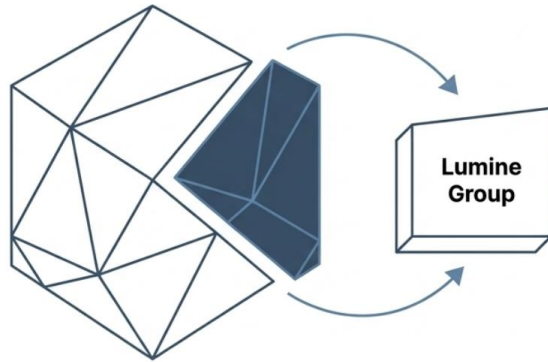
INVESTING WITH INSIGHT

“Vertical market software is the distillation of a conversation between the vendor and the customer that has gone on frequently for a couple of decades. You distill those work practices down into algorithms and software and data and reports, and it captures so much about the business.”

- Mark Leonard

Lumine Group: Trusted buyer Serving Critical Infrastructure

50%



- Specialty: Roughly **50% of Lumine's business consists of large corporate carve-outs**, where the buyer must be trusted to handle mission-critical assets.
- Client Profile: This focus on carve-outs leads to acquiring larger businesses with larger clients, often highly concentrated within telecommunications operators.

Reliability Requirements for Lumine Group



99.999%

“Five Nines” Availability

5.26 minutes.

That is the maximum total downtime allowed per year.

This includes all planned maintenance, outages, and upgrades.

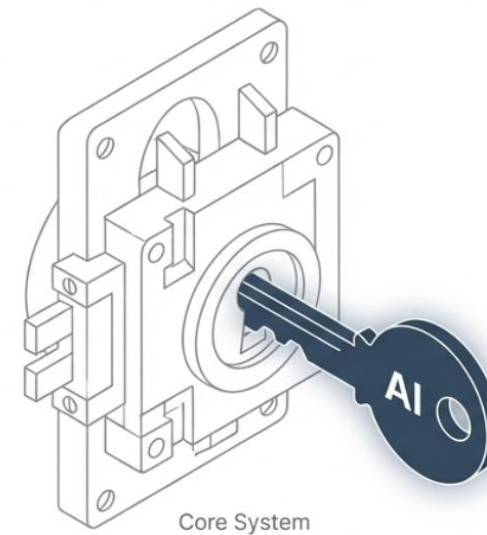
The Operating Environment: “Can’t-Fail” Is the Standard

Telecommunications operators do not like onboarding new vendors. Many of Lumine’s offerings must meet the “carrier-grade” standard.

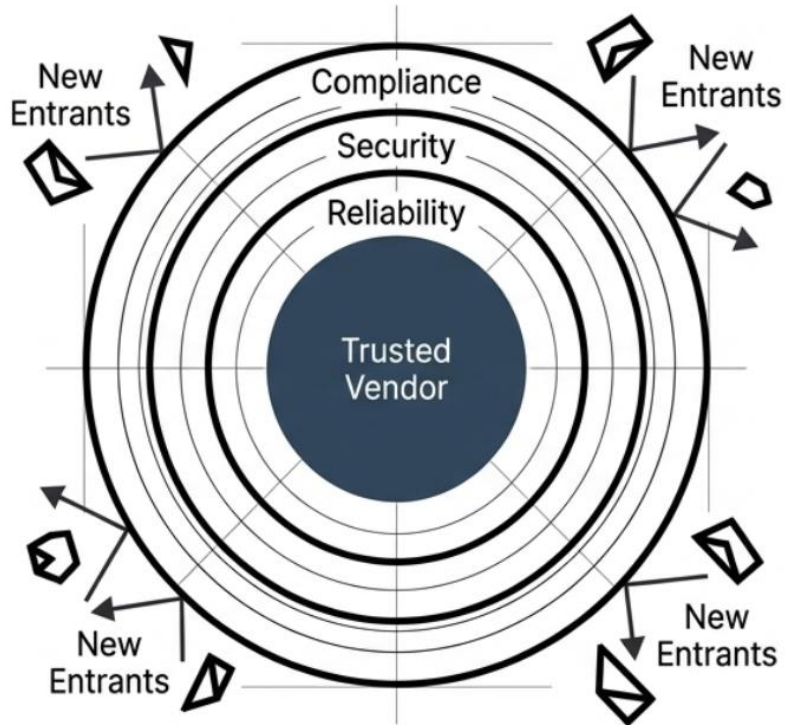
This standard applies not just in Telco, but also in defense, energy, utilities, and banking infrastructure—where systems essentially cannot fail.

Security Requirements for Lumine Group

- Vendors must meet and maintain industry-specific regulatory standards.
- Continuous compliance audits are expected, with evidence of robust security frameworks (e.g. ISO/IEC 27001, SOC 2, or sector-specific frameworks).
- Data handling, encryption, access control, and incident response capabilities must be well-documented and consistently tested.
- Avoid onboarding new vendors unless absolutely necessary.
- Enforce long evaluation and approval cycles, often spanning 24 months.
- Once approved, a vendor is often deeply embedded and remains for the long term—unless they fail operationally, ethically, or strategically.



The Result is a Powerful Moat



Meeting “carrier-grade” reliability and stringent security requirements involves continuous compliance audits and deep integration. In practice, this creates two market realities:

1. **It is extremely difficult for a new vendor to win a logo** in these “can’t-fail” environments.
2. **Once you are in, you tend to stay in**—unless you make a major mistake.

Who Is Trusted to Implement and Upsell AI-related Tools?

There are three potential candidates to lead the AI implementation:



Option 1: A New Startup

- Innovative and agile, but lacks a track record and deep industry-specific knowledge.



Option 2: The Telco Itself

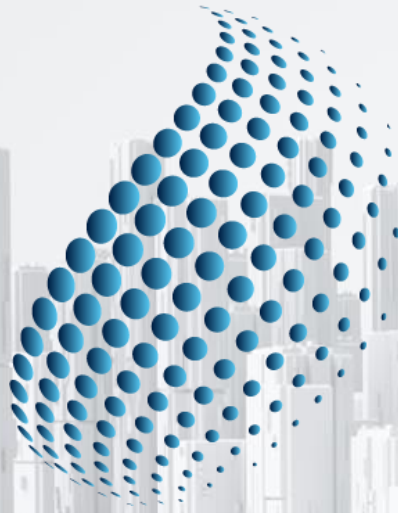
- Has the need, but building in-house AI tools is often outside its core competency.



Option 3: The Incumbent Vendor

- The vendor that has spent a decade earning trust and codifying the customer's workflows.





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