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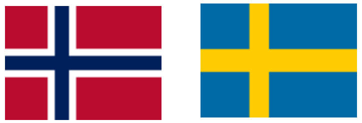
Investing with Insight

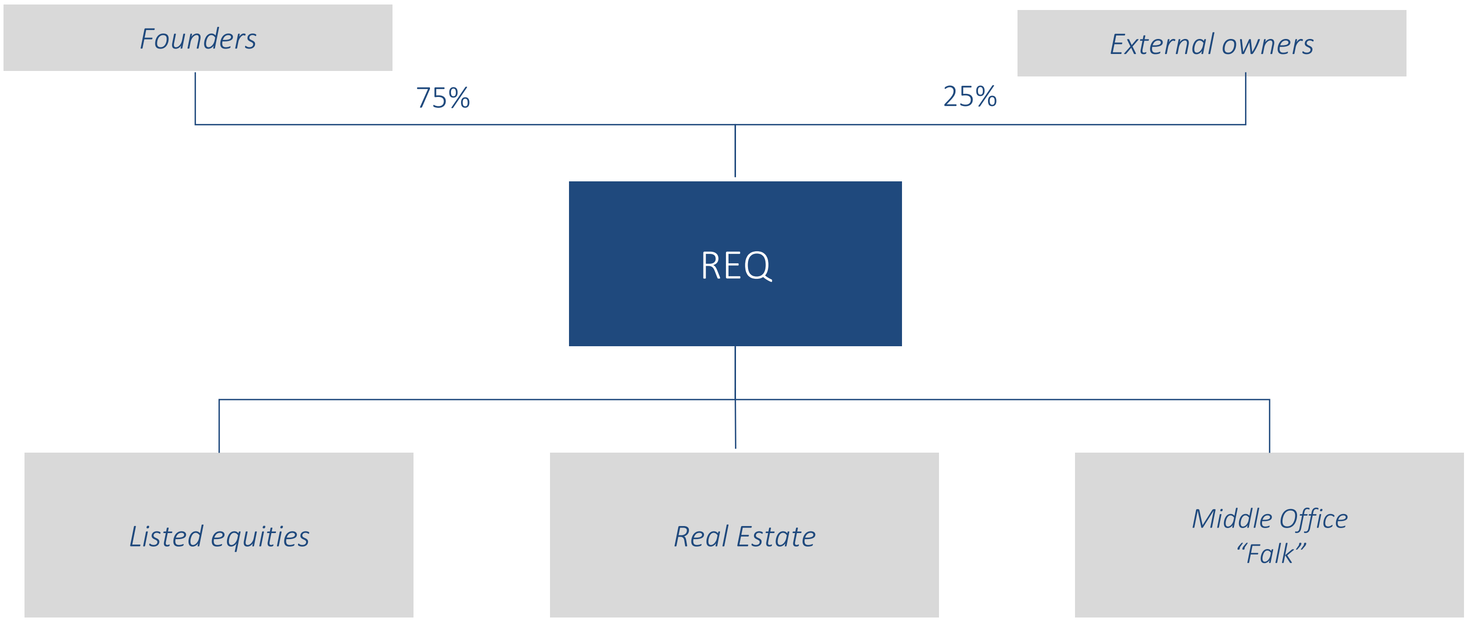
Introduction to REQ

Total sample of 979 Nordic companies

- Listed equities: Boutique asset management firm
- Based in Oslo and Stockholm



- Structure: UCITS Long Only
- Single strategy: Listed Acquisition-driven Compounders
- Two funds, one strategy:
  REQ Global Compounders
  REQ Nordic Compounders



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Listed equities: Investment team

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Kjetil Nyland
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Location: Sweden

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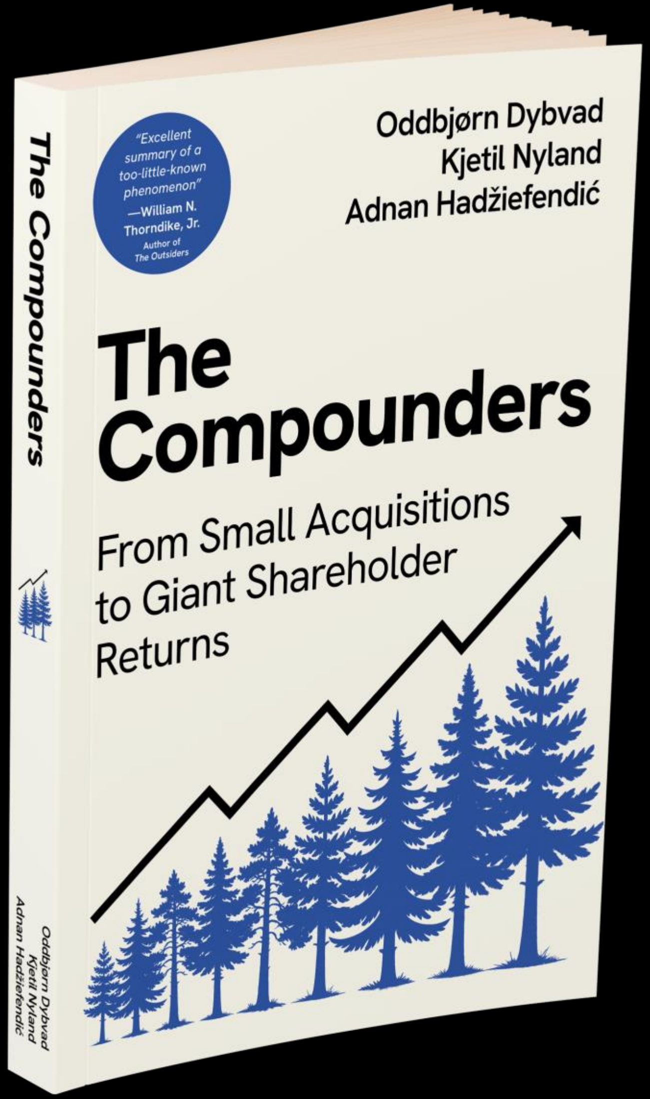
The Compounders

From Small Acquisitions to Giant Shareholder Returns



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Returns That Speak for Themselves

The Story of 9 Acquisition-Driven Compounders from Around the World

Company	Total Return	CAGR	IPO Year
Bergman & Beving share price return (+ spin-offs)	7,500×	20%	1976
Addtech	210×	26%	2001
Lagercrantz	120×	23%	2001
Lifco	21×	33%	2014
Indutrade	50×	22%	2005
Constellation Software	375×	37%	2006
Ametek	175×	16%	1990
Heico	1,100×	22%	1990
Judges Scientific	115×	24%	2003

Average
27 years
25% CAGR

(414x)

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The Power of Compounding

A flywheel of compounding

Company builders

- Cashflow vehicles
- Dual engines of growth
- Not constrained to one market

Preferred buyers

- Buys from founders & families
- Often “off market” transactions
- Highly attractive multiples (5-7x)

Permanent homes

- Decentralized entrepreneurship
- Smart incentives & Cash Cultures
- Shareholder friendly KPIs

The best of two worlds

Risk and return

Strong returns

- High and durable reinvestment rates
- High return on capital
- Dual engines of growth

Low risk

- Diversified cash flow streams
- Low debt and self-financing
- Alignment & insider ownership

Acquisition-driven Compounders

Strong returns

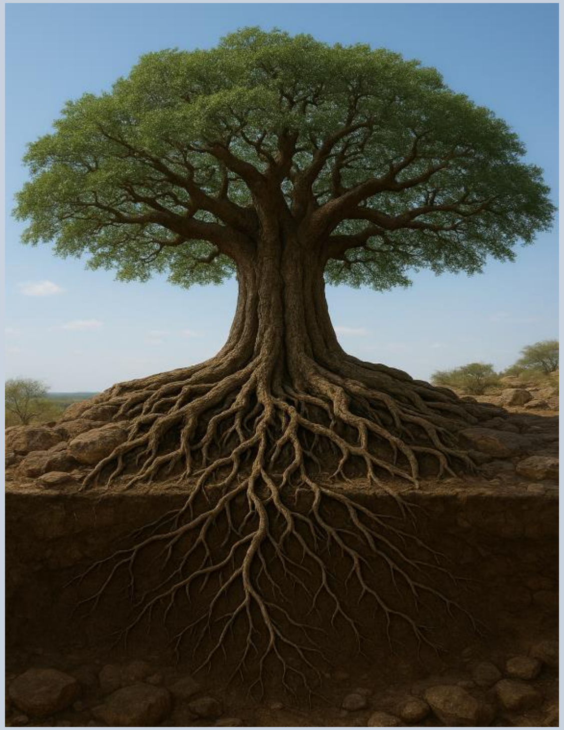
Compounding =

f(Reinvestment rate, ROIC, duration)

80%   25% 25 years

100x

Risk mitigation



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Best of both capital and people

Compounding =

f(Reinvestment rate, ROIC, duration)

CAPITAL

- ❑ Capital allocation mindset => "Toolbox"
- ❑ Cash cultures ("capital incentives")
- ❑ Organic growth priorities (strong pricing cultures)

PEOPLE

- ❑ Ownership
- ❑ "Organizational structure"
- ❑ Communication
- ❑ KPIs
- ❑ Decentralization

The reason to own acquisition-driven compounders

Total sample of 979 Nordic companies

Total shareholder return – 20 years*

	Best performing in Nordics	TSR 20y
1	Fortnox	43032%
2	Vitec Software Group B	33494%
3	Lagercrantz Group B	19060%
4	Revenio Group Oyj	14591%
5	Protector Forsikring ASA	11779%
6	Addtech B	11460%
7	Kongsberg Gruppen ASA	10536%
8	Hexatronic Group	9852%
9	Vitrolife	8416%
10	Beijer Ref B	7932%
11	BioGaia B	7799%
12	Avanza Bank	6875%
13	Micro Systemation B	6347%
14	Bouvet ASA	6054%
15	Indutrade	5773%
16	Novo Nordisk A/S Class B	5681%
17	G5 Entertainment	5316%
18	OEM International B	5073%
19	Betsson B	5066%
20	Evolution	4962%
21	Addnode Group B	4558%
22	Bure Equity	4511%
23	AQ Group	4087%
24	Sweco B	3884%
25	Atlas Copco B	3795%
26	AF Gruppen ASA Class A	3634%
27	DSV A/S	3564%
28	Hexagon B	3553%
29	Ambu A/S Class B	3383%
30	HMS Networks	3368%

Total shareholder return – 10 years*

	Best performing in Nordics	TSR 10y
1	Fortnox	6806%
2	Evolution	4962%
3	ChemoMetec A/S	4909%
4	Kitron ASA	2810%
5	EQL Pharma	2784%
6	INVISIO	2484%
7	Incap Oyj	2365%
8	Note	2029%
9	Vitec Software Group B	1949%
10	Qt Group Plc	1877%
11	MedCap	1682%
12	Kongsberg Gruppen ASA	1475%
13	Lagercrantz Group B	1462%
14	Lifco B	1433%
15	Bouvet ASA	1347%
16	Addtech B	1339%
17	Beijer Ref B	1294%
18	Mycronic	1199%
19	Harvia Oyj	1105%
20	Xvivo Perfusion	1085%
21	Hexatronic Group	1045%
22	Lundin Gold	1034%
23	Sectra B	1010%
24	HMS Networks	989%
25	BONESUPPORT	977%
26	Mips	975%
27	Wirtek A/S	971%
28	Aker BP ASA	967%
29	2020 Bulkers Ltd.	956%
30	Bufab	952%

- Out of the best 30 stocks in the Nordics over the last 20 years - acquisition driven compounders constitute 13 names = 43%

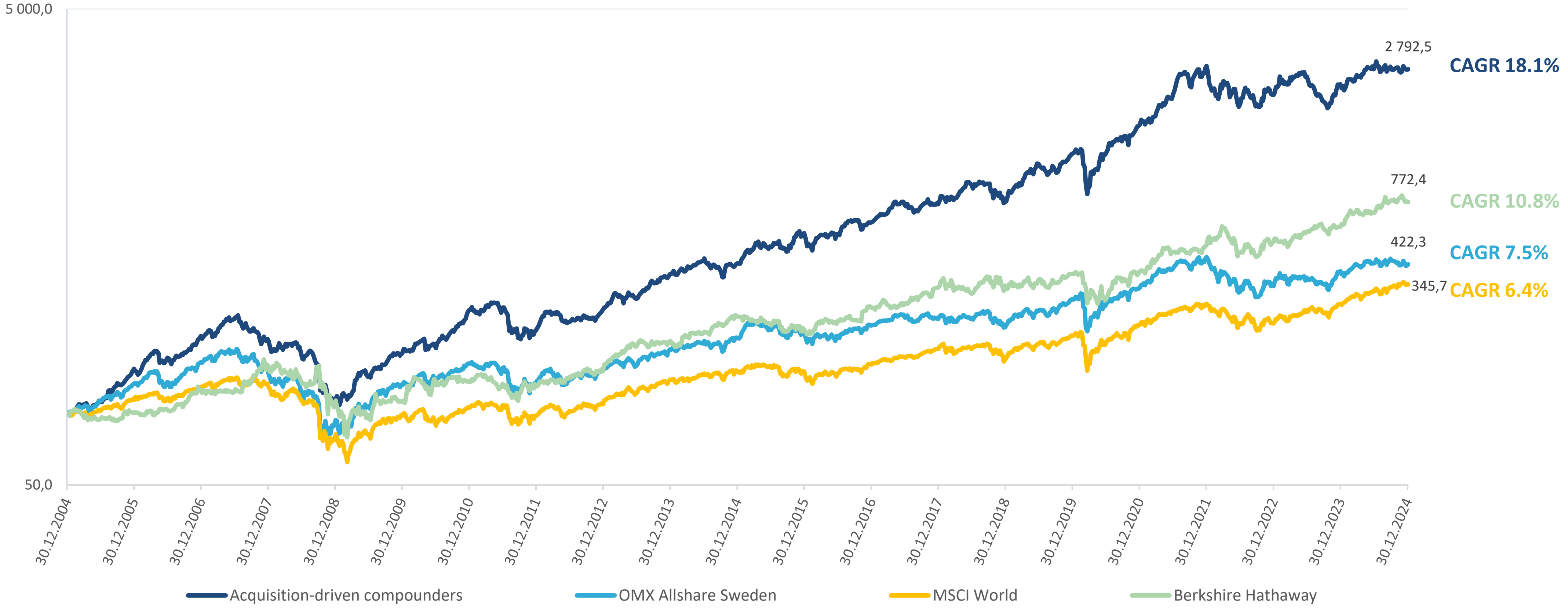
- Out of the best 30 stocks in the Nordics over the last 10 years – acquisition driven compounders constitute 10 names = 33%

Source: Factset per 2025-02-24
* For the period or as long as they have been listed

Superior Long-Term Share Price Performance – Nordic 20 years

20-year indexed share price performance

Nordic acquisition-driven compounders up 40x, Berkshire Hathaway up 7.3x



Source: Factset as of 2004-01-01 to 2025-03-31

Note: Average for companies by REQ identified as acquisition-driven compounders listed during the full period. We have not adjusted for spin-offs of Hexpol, Addlife, Momentum Group and Epiroc, which would increase the overall performance. Assa Abloy, Addtech, Beijer Ref, Lagerecrantz, Addnode, Bergman&Beving, Ependion, OEM, Xano, Beijer Alma, Hexagon, Atlas Copco, Nibe, AQ Group

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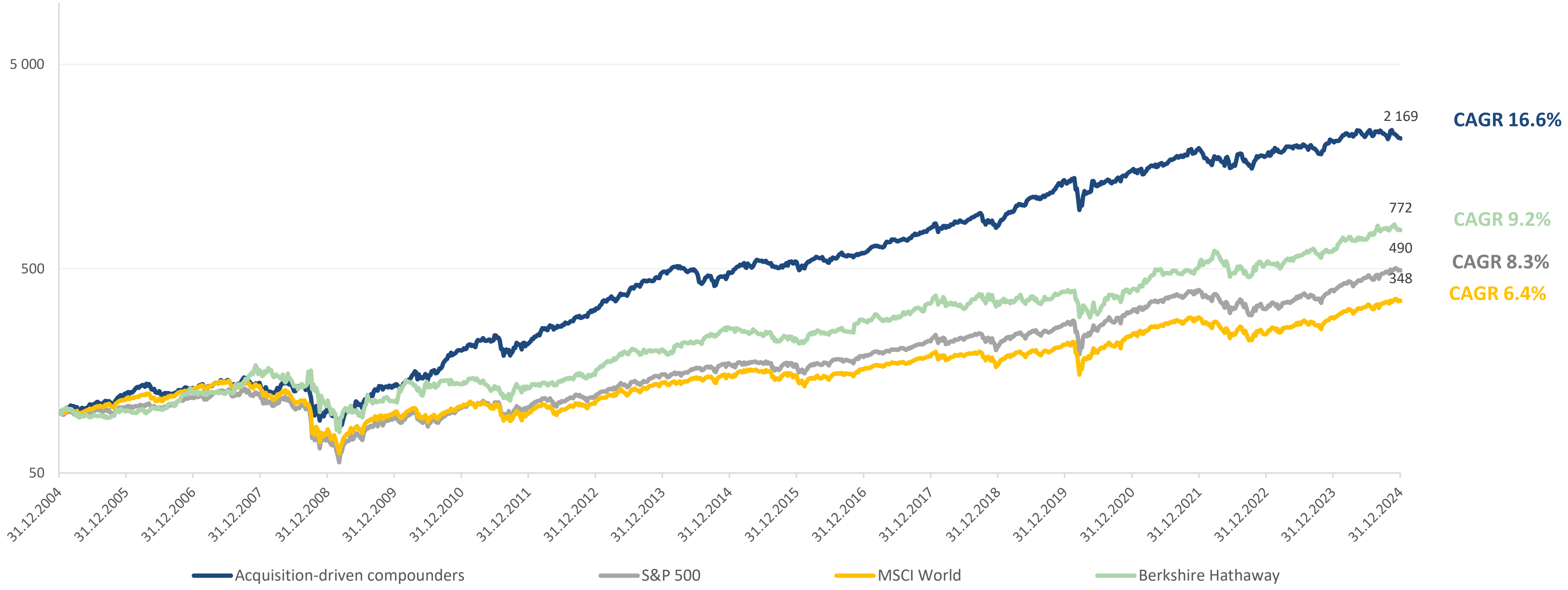
Superior Long-Term Share Price Performance – Global 20 years

20-year indexed share price performance

Global acquisition-driven compounders up 22x, Berkshire Hathaway up 7.7x



Source: Factset as of 2004-01-01 to 2025-03-31
Note: Average for companies by REQ identified as acquisition-driven compounders listed during the full period:
Heico, Diploma, Halma, Judges Scientific, Roper Technologies, Illinois Tool Works, Dassault Systems, Brown&Brown, DCC, Ametek, Nordson, Teledyne

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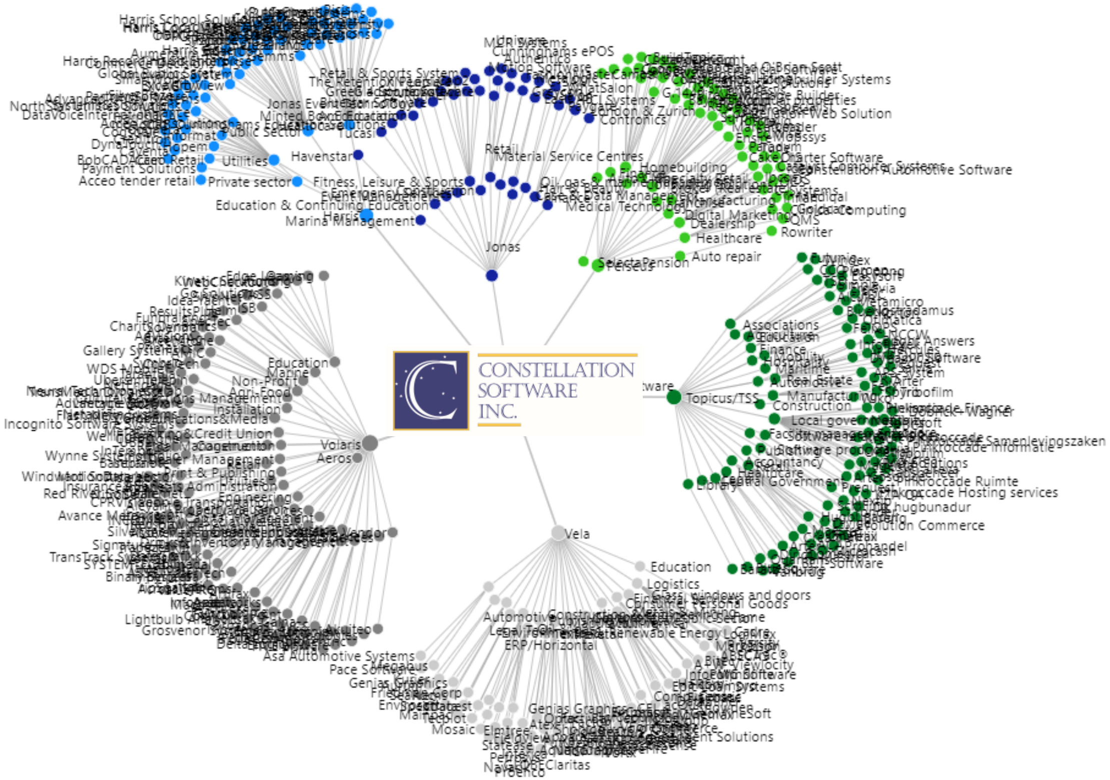
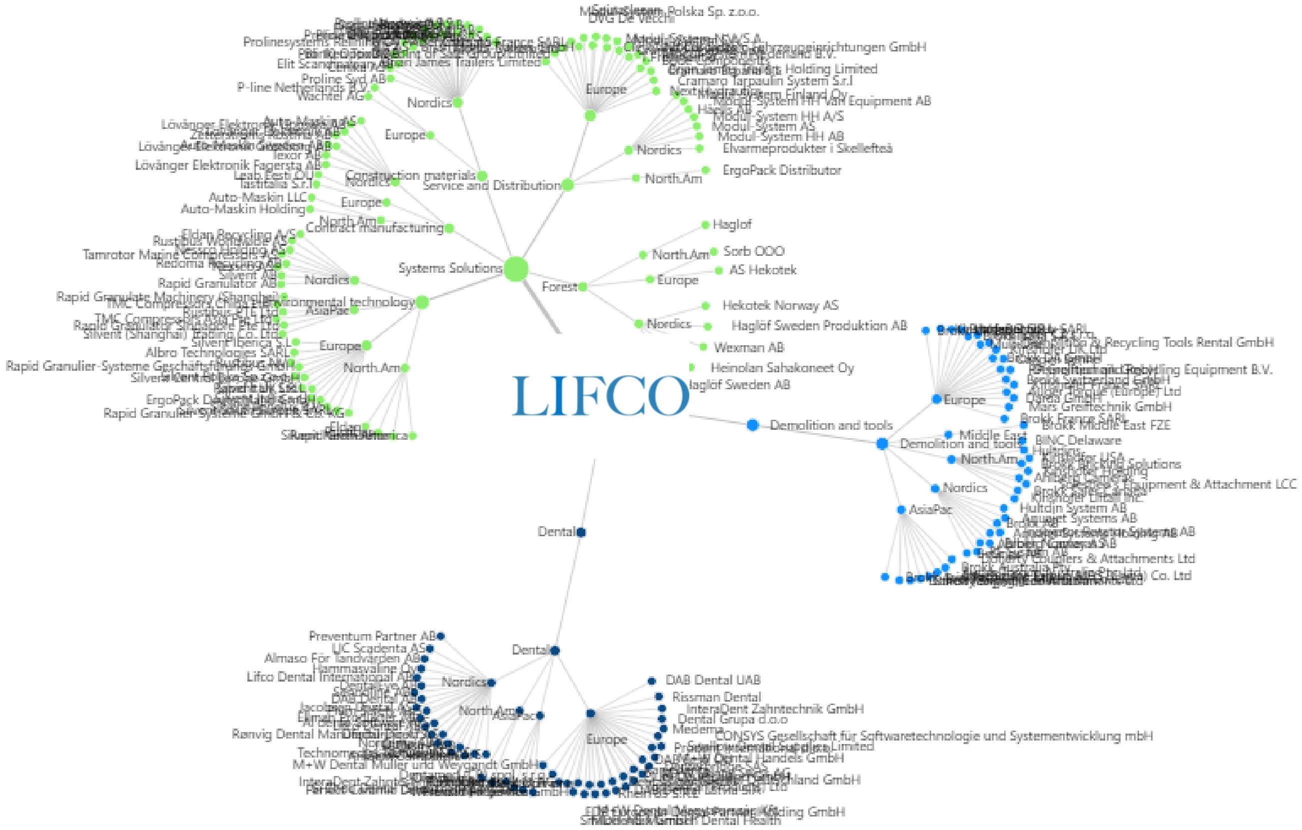
Great risk-mitigating characteristics

Constellation Software and Lifco





Source: Constellation Software annual report

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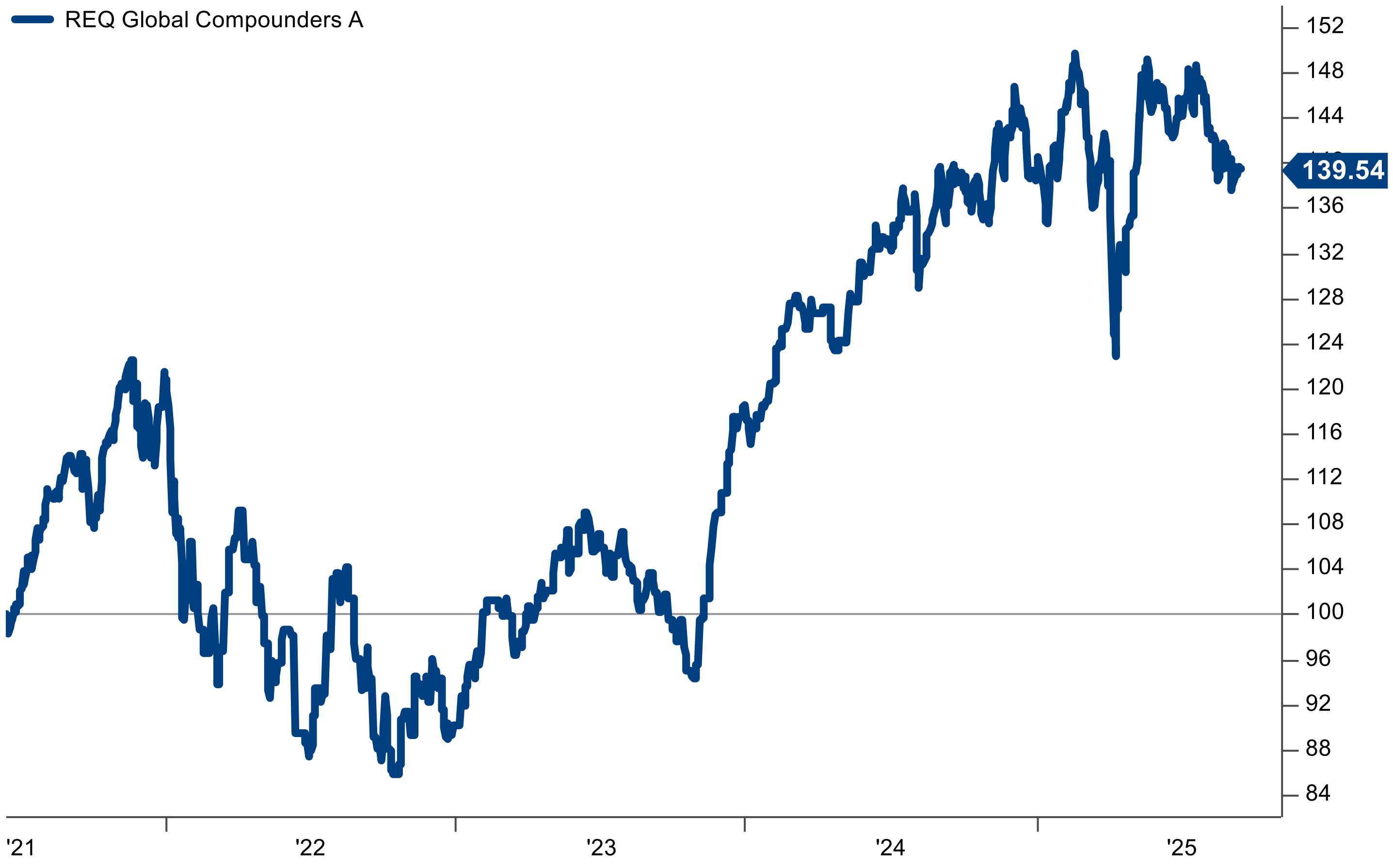
REQ Global Compounders: Performance since launch (EUR)

Launch date 15th of June 2021



«A» class net of 100bps annual management fee.

Röko – Our largest single investment in REQ since launch (9% of Global Compounders)

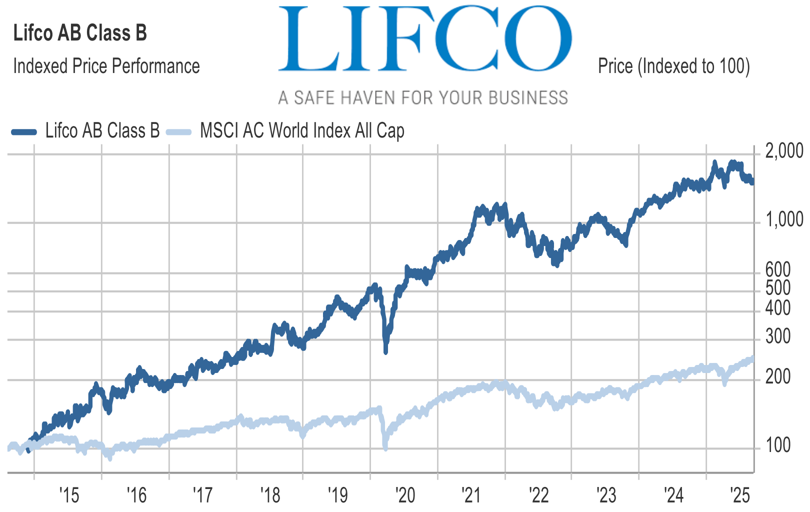
Founded in 2019 by Fredrik Karlsson (ex-Lifco) & Tomas Billing (ex-Nordstjärnan)

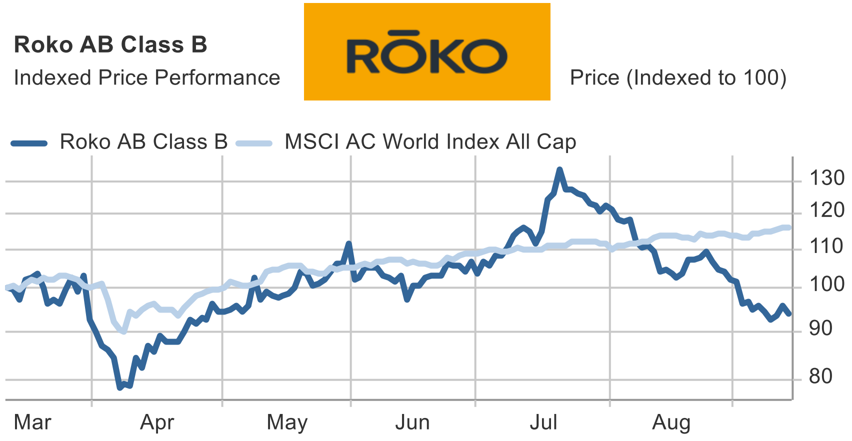
- Sector agnostic, "perpetual owner"
- 28 acquisitions in 6 years
- In total: 4.5bn SEK initial capital => LTM EBITA: 1.3bn
- IPO March 2025, Nasdaq Stockholm: Market cap: 30bn
- Interest-bearing net debt to EBITDA: 0.5x
- 2024: 20% margin, 17% EBITA growth in 2024
- REQ: Cornerstone investor

Fredrik Karlsson

Our conviction in Röko is closely tied to our long relationship with Fredrik Karlsson. We identify Karlsson as:

- Proven capital allocator (Lifco track record): 100x in Lifco from 1998 => 2019
- Knows the playbook and let the numbers do the talking
- Strong alignment: Insiders control 79% of A-shares. Insiders: 13b.7bn SEK





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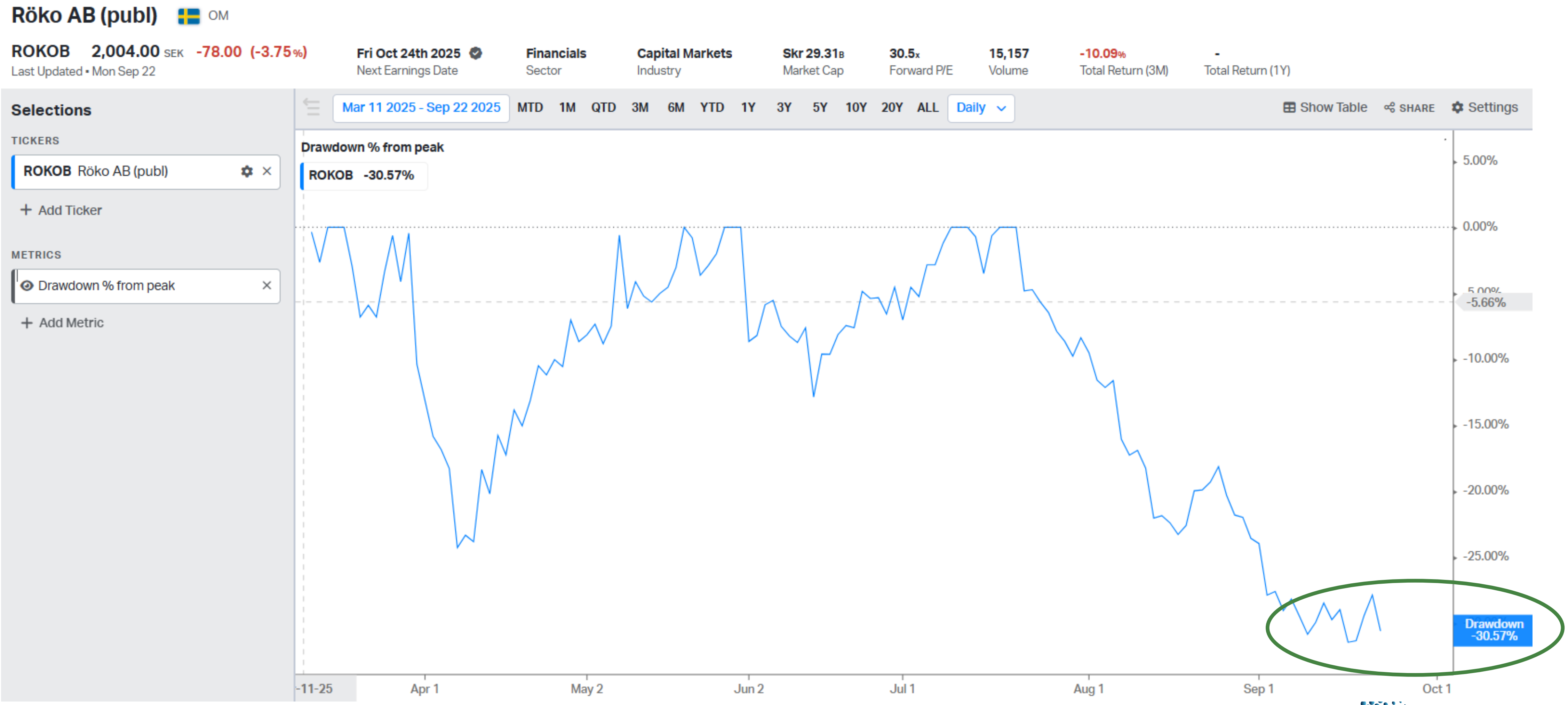
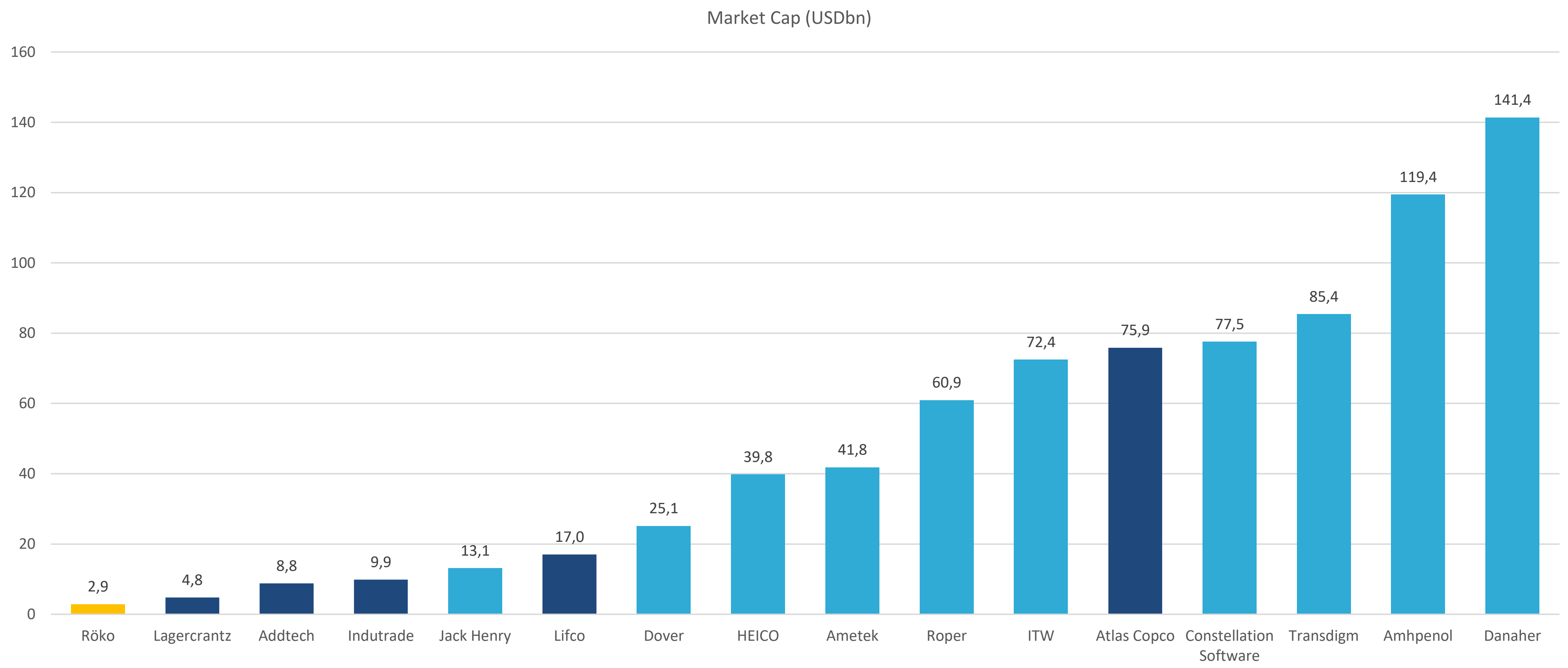
Röko AB: Drawdown since IPO in March 2025



Röko and Swedish Acquisition-driven Compounders in an international context

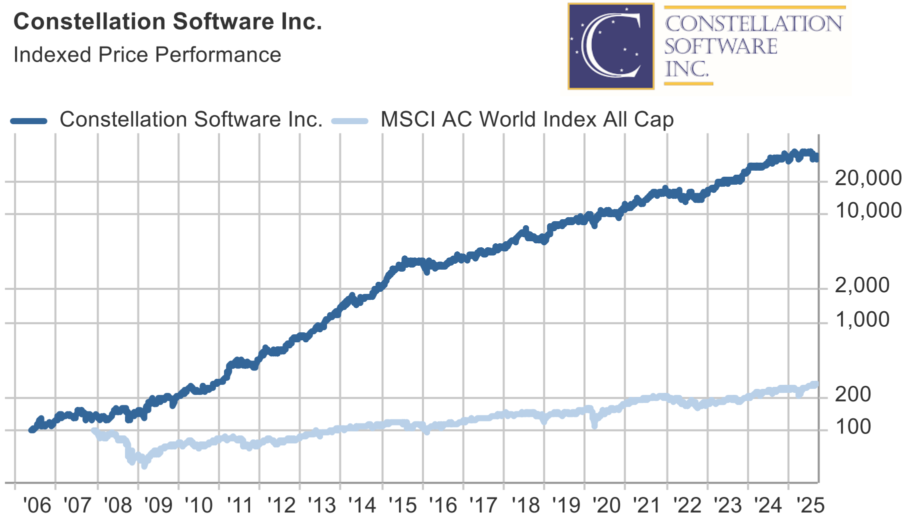


Source: Factset

Constellation Software (9% of Global Compounders)

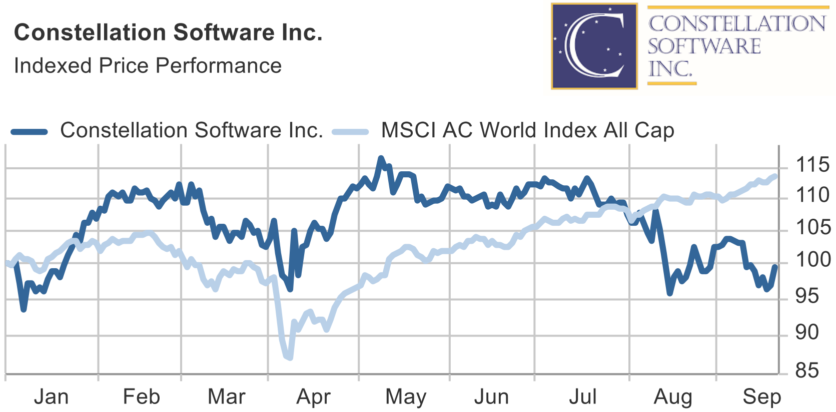
Founded in 1995 by Mark Leonard

- Perpetual owner of vertical market software companies
- Home to more than 1000 vertical software companies
- Average costumer stays with the company for 20 years
- Highly rational capital allocation



Mark Leonard

- Proven capital allocator: CSU: 375x since IPO in 2006
- Knows the playbook and let the numbers do the talking
- Strong alignment: Mark Leonard owns approx. 2% of the company (USD 2bn). Mark Miller also owns close to 2%.



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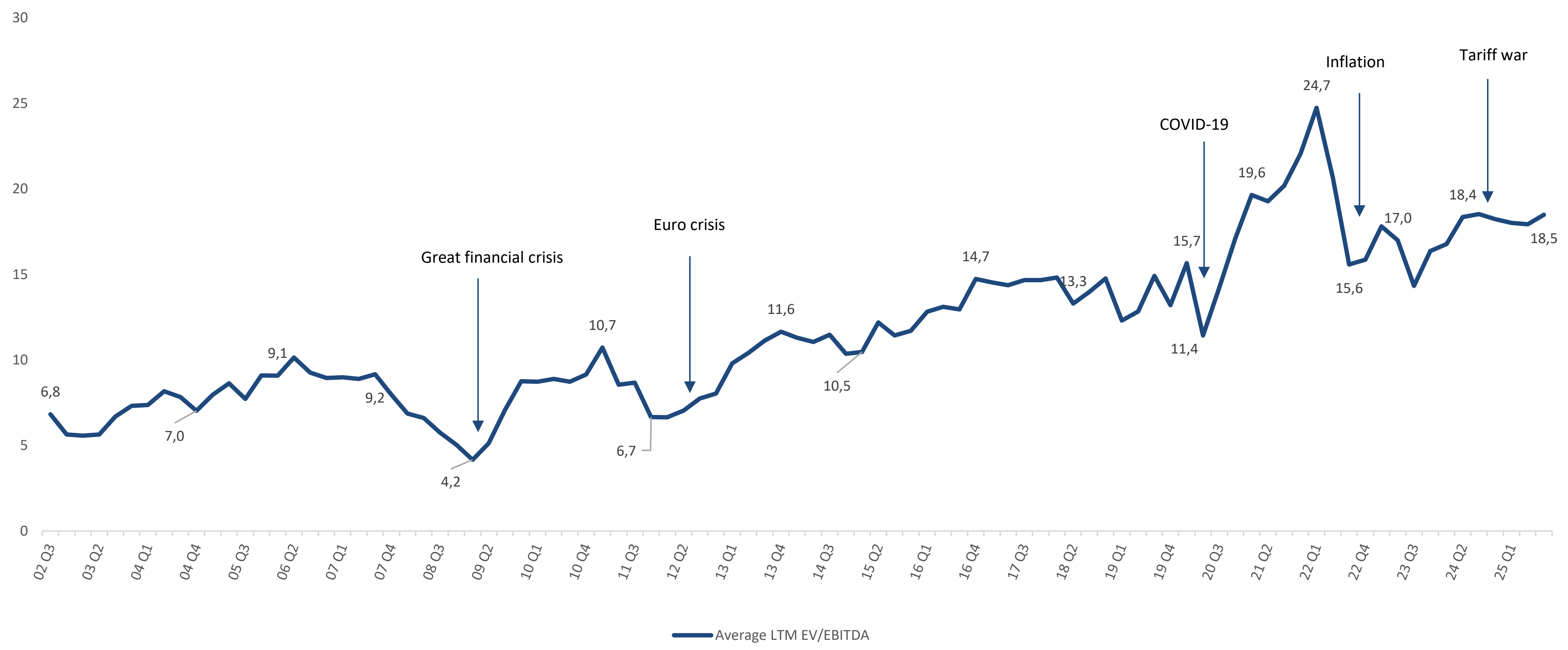
Constellation Software: Drawdowns since IPO in 2006

Pricing From a Historical Perspective

LTM EV/EBITDA - unweighted average for selected companies (2002-06-30 -> 2025-09-22)*



AQ Group, Beijer Alma, Ependion, Bergman&Beving, Medcap, OEM, Xano
Addnode, Addtech, Beijer Ref, Indutrade, Lagercrantz, Lifco, Vitec

REQ Nordic Compounders – look through statistics

	REQ Nordic Compounders - MEUR	Portfolio - WA	Average	Median
	Market Cap	5,163	5,741	1,433
	Enterprise value	5,383	6,015	1,608
	# of holdings	23		
	Years listed	17	19	19
	Reinvestment rate 3Y	77%	79%	76%
	Reinvestment rate 5Y	75%	76%	74%
	Reinvestment rate 10Y	74%	76%	76%
	ROE (Net income / EQ)	17%	17%	15%
	ROIC (Net income / ND + EQ)	23%	23%	22%
	ND/EBITDA	1.3x	1.5x	1.4x
	EPS CAGR 1Y	4%	-1%	4%
	EPS CAGR 3Y	8%	8%	10%
1	EPS CAGR 5Y	15%	19%	16%
	FCF yield	2%	3%	0%
	FCF yield excl NWC	2%	3%	0%
	Sales	1,390	1,606	556
	EBIT	223	252	68
	Net income	163	184	38
	EV/EBIT	26.1x	23.9x	26.3x
	P/E	33.3x	31.2x	
	EV/EBITA 2026e	17.9x	19.4x	19.0x
	P/E 2026e	29.2x	29.1x	
	Dividend yield (%)	1%	1%	1%
	Sales CAGR 1Y	8%	6%	5%
	Sales CAGR 3Y	13%	16%	15%
	Sales CAGR 5Y	11%	15%	13%
	EBIT CAGR 1Y	3%	-1%	0%
	EBIT CAGR 3Y	11%	15%	15%
	EBIT CAGR 5Y	14%	22%	18%
	EBIT-margin	14%	14%	13%
	Shares outstanding 3Y CAGR	3%	3%	0%
	Cash conversion 1Y (FCF/Net income)	98%	112%	114%
2	Cash conversion 3Y (FCF/Net income)	73%	83%	80%
	Cash conversion 5Y (FCF/Net income)	79%	91%	88%

REQ Nordic Compounders - MEUR	Portfolio - WA	Average	Median	
Insider Ownership Board (%)		16%		
Insider Ownership families/other insiders (%)		8%		
Insider ownership management excl CEO		1%		
Insider Ownership CEO (%)		2%		
Total insider ownership		27%		
CEO Ownership (times base salary)	107	110	11	3
CEO Tenure (Years)	8	9	7	
CEO Base Salary	507	554	407	
Average # of acquisitions / year - LY	6	6	5	
Average # of acquisitions / year - L 3Y	5	6	4	
Average # of acquisitions / year - L 5Y	4	5	3	
Average # of acquisitions / year - L 10Y	6	6	4	
Average deal size - LY	18	24	7	
Average deal size - L3Y	17	22	12	
Average deal size - L5Y	13	17	10	
Average deal size - L10Y	11	13	8	
Cash % of transaction value 5Y	68%	80%	84%	
Earn-outs % of transaction value 5Y	16%	19%	15%	
Own shares % of transaction value 5Y	1%	1%	0%	
Other % of transaction value 5Y	0%	0%	0%	
Nordics % of sales		47%		
Europe (excl. Nordics) % of sales		28%		
North America % of sales		7%		
Asia % of sales		4%		
RoW % of sales		9%		
# of subsidiaries	77	86	30	
Average subsidiary sales	15	16	13	
Organic sales growth 1Y	0%	-2%	2%	
Organic sales growth 3Y	5%	5%	5%	
Organic sales growth 5Y	3%	5%	5%	4
Total shareholder return 1Y		2%	-2%	
Total shareholder return 3Y		76%	64%	
Total shareholder return 5Y		203%	172%	
Total shareholder return 10Y		779%	773%	

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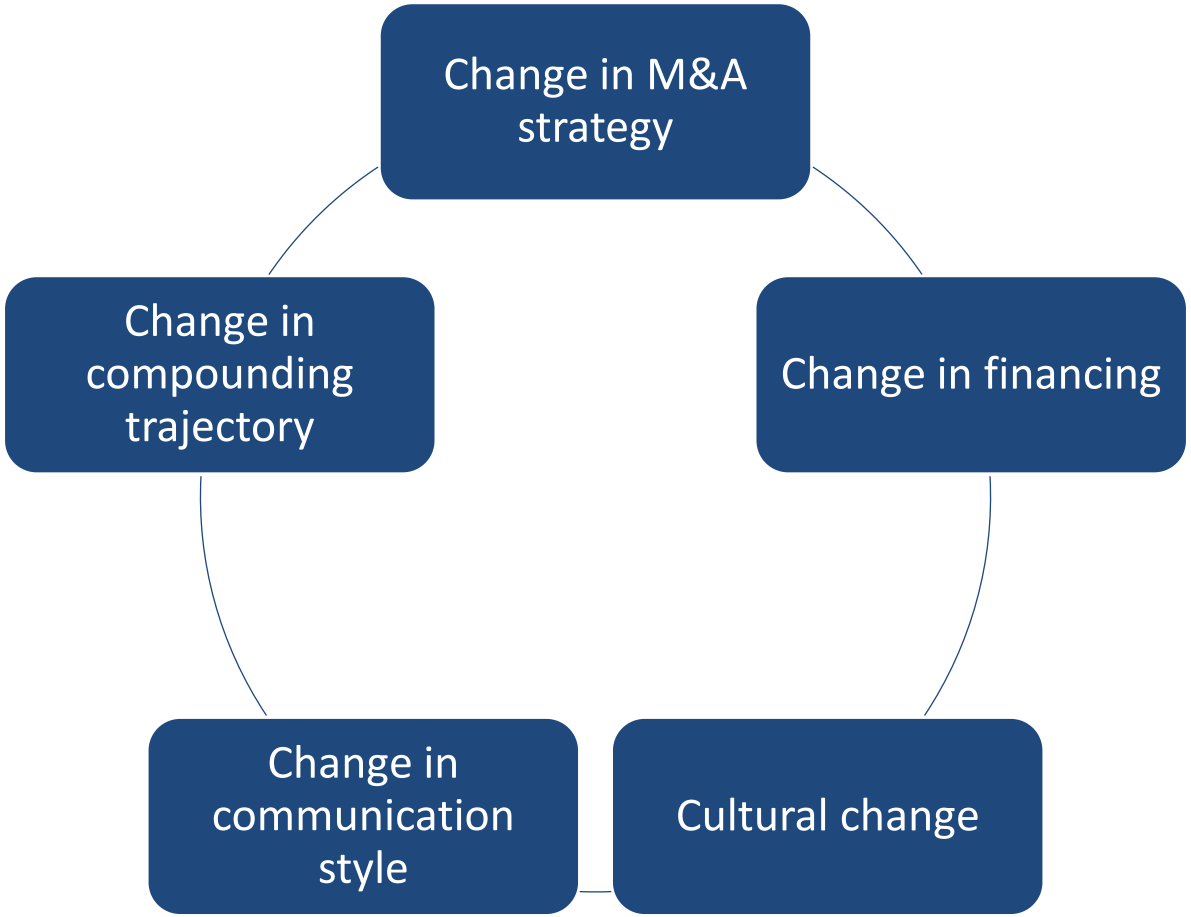
Recognizing Common Red Flags

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



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