Kavaljer

Monthly Report October 2026

Kavaljer Quality Focus

+2.1%
return October 2026

+23%
return five years



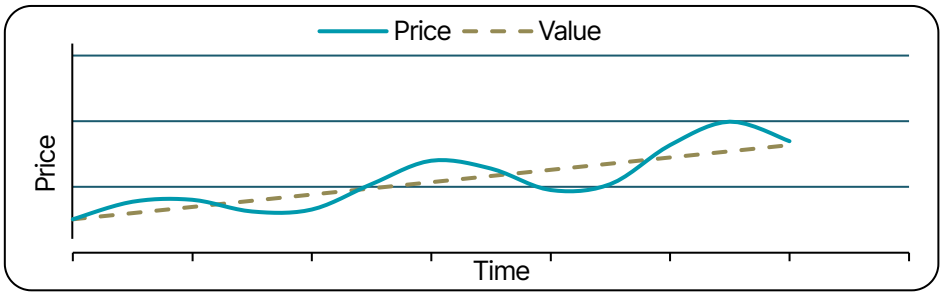
Monthly Commentary

Concerns About AI Investments and the Middle East Weighed on the World Index
October was a mixed stock market month, with the broad Stockholm exchange (OMXSPI-GI) performing positively, +0.8%, while the world index (Dow Jones Global Index) fell 1.8%. The small-cap index (Carnegie Small Cap Return Index Sweden) rose +0.8%. Kavaljer Quality Focus increased in value by +2.1%.

The world index was weighed down by two things. First, concern grew that the belief in almost endless AI investments is exaggerated, which hit the highly valued companies that are expected to profit the most from them. Second, the unrest in the Middle East continued to keep energy and freight prices high, which raises costs for many companies and fuels inflation concerns.

Quality at the Right Price: Why We Have Bought Back Two Former Holdings
Our strategy is to own quality companies whose intrinsic value grows over time. Value usually changes at a gradual pace, while share prices move considerably more. The market tends to exaggerate both positive and negative signals about a company's future. As a result, shares often rise too much when things go well and fall too much when weakness shows. Benjamin Graham compared the stock market to "Mr Market", a business partner whose mood decides the price he offers for the day - something we work to use to our advantage.

The market swings between mania and depression
- the value swings far less and grows over time in quality companies



For us, it is therefore not enough to own good companies. We constantly follow the price in relation to the value. Later in the letter we describe two examples: the pan-European online broker FlatexDEGIRO and the Norwegian insurer Protector Forsikring. We owned both of them through large share price gains in 2025 and 2026, and we sold when we considered the companies fully valued. In Protector's case we were also uncertain about the short-term development.

Mr Market has now, in our assessment, swung too far in the other direction. In October, FlatexDEGIRO had fallen by about 40% from its peak and was valued at less than 12 times earnings for the current year. Protector had fallen by about 25% and was then valued at a P/E of 15. We have therefore bought into both companies again. At the same time, we have sold Bravida, as we judge the stock to be fully valued. Quality companies whose value grows over time, combined with discipline about what we pay, is the core of how we manage the fund. It is this combination that we believe creates excess return over time.

RISK INFORMATION: The information in this monthly report does not constitute investment advice. Historical returns are no guarantee of future returns. The money invested in the funds can both increase and decrease in value, and there is no guarantee that you will get back the full amount invested. Before investing, you should read the fund's fact sheet.

Fund Facts

Start date	August 2019
Risk level	4 of 7
Number of holdings	25-40
Trading	Daily
Fund rating (Morningstar)	★ ★ ★ ★
Category	Sweden, small/mid-cap
SFDR classification	Article 8
AUM	SEK 976 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 manager	Peter Lindvall, Håkan Telander & Jesper von Koch

Risk Measures

	3 years	5 years
Alpha	2.73	4.92
Beta	0.86	0.83
Sharpe ratio	0.76	0.20
Standard deviation	14.75	17.78

Risk measures for A-class

The Share Price Is Not the Final Judge

On the difficulty of keeping price and value apart

One of the hardest parts of portfolio management is keeping price and value apart, not in theory but in everyday practice. The share price is updated every second and is immediately visible in the portfolio, while changes in a company's value show up slowly, quarter by quarter. It is therefore tempting to let whatever is most visible become the yardstick: if the share has fallen, something must have gone wrong; if it has risen, we must have been right.

"Has the company's value changed, or only the price?"

The Share Price Writes the Story

We often see the explanation come after the price move rather than before it. When a share falls, the market looks for reasons, and it almost always finds them. Every company has risks: a large customer that could be lost, a competitor that could put pressure on prices, an economic cycle that could weaken. Risks that were known and discussed six months ago suddenly appear to have come true, even though nothing in the company's figures has changed. The price drop becomes the proof, and the proof becomes the reason to sell.

When the Share Falls: Not Letting Fear Take Control

When a share price falls, we always ask ourselves the same question: has the company's value changed, or only the price? Sometimes the answer is that we were wrong and that something significant has happened in the company. Then we must act. Often, however, the long-term earnings capacity has not changed appreciably, and then a lower price is more of an opportunity than a warning. That is how we view FlatexDEGIRO and Protector. The difficulty is that concern tends to be greatest precisely when the valuation is most attractive.

"A good company can become a poor investment if the price gets too high."

When the Share Rises: Not Marrying It

The same mistake can occur in the other direction, but it is harder to detect because the development feels positive. A rising share confirms the analysis, and each new gain becomes further proof that the analysis was right. Risks that once weighed heavily gradually fade into the background, and the focus shifts from testing the investment case to defending it. Even a good company can, however, become a poor investment if the price gets too high. Future return is largely determined by the price at the time of investment. Selling a company we like when the valuation has run away is therefore just as important a part of the work as buying.

We Follow the Company, Not the Price Chart

We are not immune to these reflexes, but we work to reduce their impact. Before we buy, we formulate what the investment rests on and what would make us change our view. When the price then moves sharply, we go back to that basis and follow the company's sales, margins and cash flows rather than the share's performance. It is in the companies' reports, not in the share price, that we see whether our assessment holds.

"In the short run, the market is a voting machine; in the long run, it is a weighing machine."

Benjamin Graham

Benjamin Graham put it as the stock market being a voting machine in the short run and a weighing machine in the long run. In the short run, the share price reflects the mood around a company; in the long run, the company's development in value. Anyone who lets the share price become the final judge risks selling when the share is at its cheapest and keeping it when it is at its most expensive. We strive to do the opposite.

Fund Performance

Kavaljer Quality Focus performed better than all the indices and rose 2.1% during the month. Over the past 5 years, the fund's return amounts to +23%, compared to +35% for the Stockholm exchange (OMXSPI-GI) and -4% for the small-cap index.

The largest positive contributors among the fund's holdings during the month were Bonesupport, New Wave and Nederman. The largest negative contributors among the fund's holdings during the month were Huhtamäki, Swedencare and ITAB.

Changes and Holdings

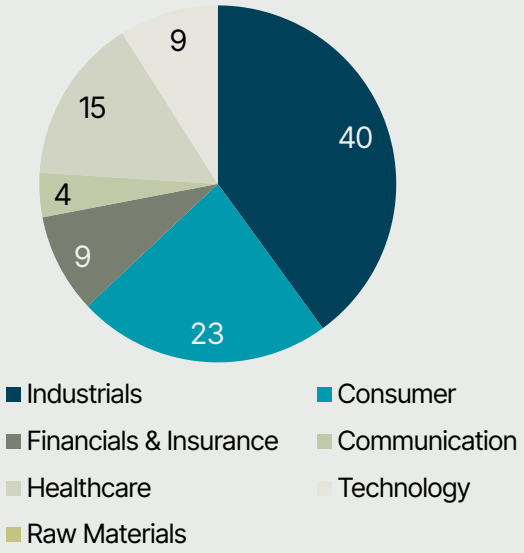
During the month the fund sold its holdings in Bravida and BTS, and reduced its holdings in Proact, Carasent, Bonesupport, Storytel and CAG. In addition, we have bought back Protector Forsikring and flatexDEGIRO, and increased our holding in ITAB.

The equity allocation was 98%.

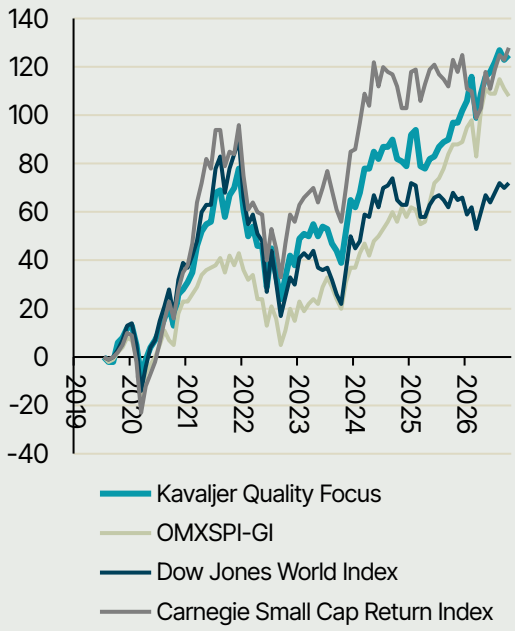
Top 20 Holdings, %

Nederman	5.2
New Wave	5.1
Securitas	4.9
Proact IT Group	4.9
Carasent	4.8
Inwido	4.7
Revolutionrace	4.3
ITAB Shop Concept	4.3
Valmet	4.3
Ratos	4.1
Bonesupport	4.1
Storytel	3.4
ChemoMetec	3.2
Swedencare	3.1
Huhtamäki	3.0
Brdr. A&O Johansen	2.9
Xvivo Perfusion	2.8
Idun Industrier	2.7
Alligo	2.6
Protector Forsikring	2.5
Total number of portfolio holdings	**32**
Top-20 % of total	**76.9**

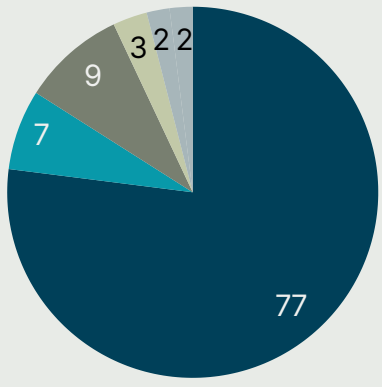
Sector Allocation, %



Returns After Fees



Geographic Allocation, %



Best and Worst - Month's Contributors

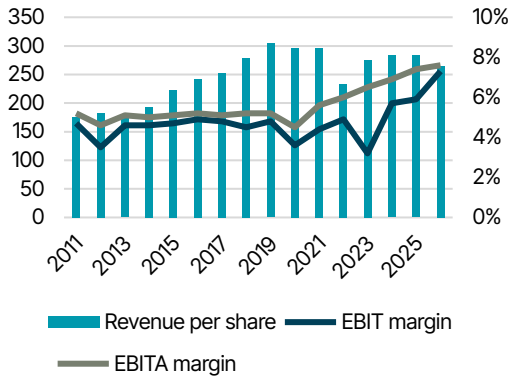
Company	Return contribution
Bonesupport	+1.8%
New Wave	+0.7%
Nederman	+0.5%
Huhtamäki	-0.4%
Swedencare	-0.4%
ITAB	-0.3%

Selected Earnings Report Comments

Securitas (4.9% of the fund): The report was weighed down by two temporary factors. Unrest in the Middle East reduced flight volumes in the middle of peak season, which meant lost revenue but unchanged staff costs, even though airport contracts account for only 5-6% of revenue. In Pinkerton, the company is waiting for new customers after a lost contract instead of cutting costs, which pressures EBITA by 2-4%. Profitability can improve either by new customers filling the capacity or by costs being adjusted, and both paths drive earnings growth. Technology & Solutions grew organically by 6%, with strong order intake, not least from data centers for Microsoft and Amazon, and we expect even stronger growth there in the fourth quarter.

Customer retention of 89% is below the target of 93%, partly because the company has deliberately terminated unprofitable contracts, and more customers now buy several services, which makes them harder to lose. We expect about 15% higher earnings per share next year. We judge that a P/E of 11.5 for 2027, or 10 times free cash flow, is too low for a stable base with a future-proof technology business.

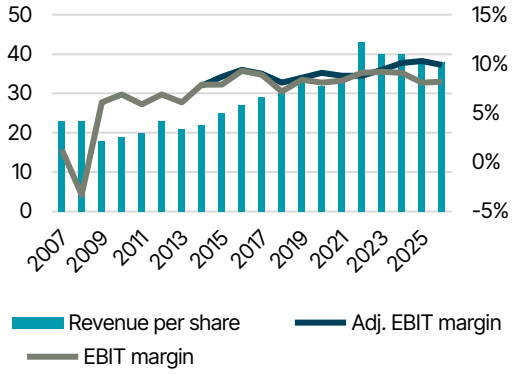
Securitas: Profitability improvements and underlying growth



Huhtamäki (3.0% of the fund): Fiber and Flexible are developing well, while the margin in North America fell to 4.3% in the third quarter on weak demand, higher freight costs and problems in two new plants. Foodservice was also weak and stood at 8% EBITA excluding a one-off income item. We judge that North America should be possible to fix, since the problems are plant-specific and resemble those that Flexible had in India and Turkey. There the company turned the development around in 2025 with dedicated improvement teams for the weakest units and with margin before volume as a principle. In Foodservice the outlook is worse: the segment has few large customers, is demand-driven and has already carried out its cost savings, which makes it hard to fix and requires the number of restaurant visits to increase.

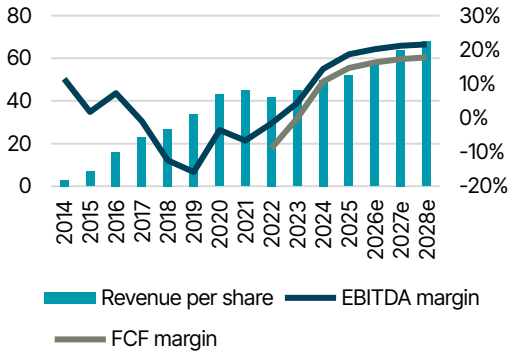
The company has raised its dividend for 17 years in a row and in 2025 reached its highest margin ever, around 10%. With our estimate of EUR 2.18 in earnings per share for 2027, the stock is valued at a P/E of 11.6, compared with an average of just under 20 over the past ten years.

Huhtamäki: Like clockwork, but pressured by weak consumers



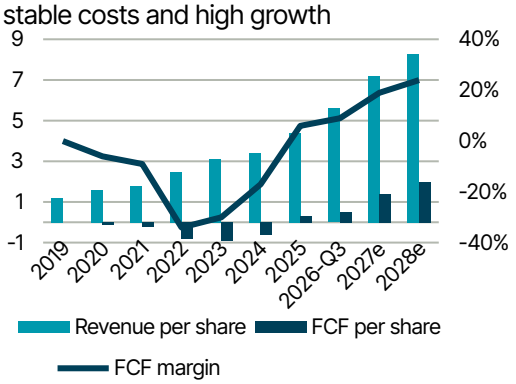
Storytel (3.4% of the fund): The report was clearly stronger than expected. Revenue grew by 16.5% (11.7% organically) to SEK 1,179 million, where publishing delivered the surprise with 31% growth (26% organically) and an EBITDA margin of 36.2%. New customer intake of 80,000 subscribers was the strongest since the third quarter of 2023. Revenue per user (ARPU) also grew for the first time in two and a half years. Gross margin in streaming rose to 37.6%, but the underlying margin is weaker because Poland and the Netherlands are growing quickly and marketing increased by 15%. The incremental margin on adjusted EBITDA is high, 33%, and management still sees room for margin improvements but at a slower pace. Higher churn among new customers, mainly in Finland, we judge as less worrying, since Storytel and Bookbeat take customers from each other back and forth. Management sees good prospects of reaching the target for the fourth quarter, which requires about 50,000 new subscribers. Going forward, we will follow what profitability the new subscribers deliver in Europe, where Poland, with 300,000 subscribers, is the most important market.

Storytel: A machine that keeps delivering strongly



Carasent (4.7% of the fund): The report was in line with our expectations, and the company is scaling well with a 20% margin. The AI service MedSum, which saves the doctor about an hour of administration per day, developed slightly better than expected, with about 300 paying users at the end of September compared with 13 in January. Around the turn of the year, a new interface will be rolled out in the patient record system WebDoc, where AI is included in the entire workflow. In the Nordics, recurring revenue grew organically by 16%, including a new large contract for Metodika in Norway, and the acquisition of InfoSolutions is proceeding according to plan, with cost savings already visible and a price increase of 20% from the first quarter of 2027. Germany is developing somewhat more slowly than expected, with 5% lower recurring revenue than last year, but accounts for just under 9% of revenue and is an option rather than a prerequisite. We believe in SEK 2 in earnings per share (free cash flow) in 2028, which gives a valuation of 14 times, something we still consider to be too low.

Carasent: Profitability scales with stable costs and high growth



In-Depth Thoughts on Our Holdings

Protector Forsikring

15% Cheaper and the Clouds of Concern Were Smaller Than Feared → We Have Bought Back the Stock

Protector is a Norwegian non-life insurance company founded in 2004, focused on companies and municipalities, mainly in vehicle fleets and property. A proprietary IT system and a performance-driven culture make it both cost and quality leader, and it only enters segments where it can become one of the three largest. Premiums have grown by an average of 19% per year over 20 years, while profitability has been good, about 15%.

We bought the stock in March 2025 with the thesis that Protector can take market share in the UK and repeat its successes in new markets, mainly France. The stock rose by about 70% in just under a year, but in August we sold after large insider sales and signals of price pressure in the market.

The rise in interest rates affects Protector positively: Since insurance customers insure in advance and any claims payments occur afterwards, an excess liquidity is created, which Protector invests in roughly 85% bonds and 15% equities. When interest rates rise, the value of bonds with long maturities falls. We believe that many people worry about this. However, Protector's bonds are to a large extent short and have floating interest rates, so the coupons rise with the interest rate. Protector therefore gets a limited negative effect directly, while the expected return on bonds in the coming years increases.

A softening market, but not everywhere: A soft market means that competitors lower their prices in order to grow, which pressures profitability. The weakening is mainly concentrated in the UK public sector and the retail customer segment.

United Kingdom - the excess profitability is normalizing, but the growth runway is long: 2023 was the year when Protector's premium income in the UK more than doubled through large contracts in the public sector. The margins on these contracts were unsustainably high, and Protector's profitability in the UK has recently been close to 30%. We judge that profitability there may decline until the end of 2027. Growth is instead expected to come from corporate customers, who already account for about half of UK revenue. There Protector has about 2% market share, compared with about 12% in the Nordics, and there are good reasons to believe that Protector will get there over time.

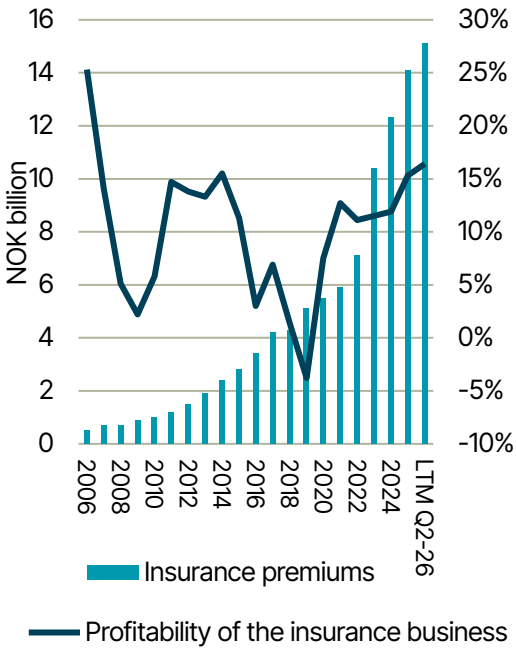
France could become the next growth engine: The French market is as large as the British one, and the conditions look even better: Protector has relationships with brokers who reach 80-90% of the market and a more professional organization than at the start in the UK. France has been an important contributor to Protector's growth during 2026, and we believe this can continue for many years ahead.

Reasonable reasons behind the insider sales: Both the CEO and the chief investment officer have made substantial upgrades to their homes, which more than adequately explains the sales last summer (those that, together with the price pressure, made us sell).

Valuation: After we sold at just over NOK 480, the stock fell to 400. At the same time, our concern about insider sales had received a good answer, and the price pressure exists only in certain segments and not in the whole market, which is why we bought back our shares. At a P/E of 15 for 2027, we see an attractive valuation in relation to the company's growth.

Protector Forsikring constitutes 2.6% of Kavaljer Quality Focus.

Protector Forsikring: 20 years of 19% annual growth and good profitability



Period	1 month	YTD	1 year	3 years	5 years	Since start*	Annual avg. return
Kavaljer Quality Focus	2.1%	1.2%	2.0%	46%	23%	127%	14.3%
OMXSPI-GI	0.8%	11.3%	13.9%	61%	35%	128%	14.3%
Dow Jones World Index	-1.8%	9.6%	10.6%	73%	55%	113%	13.0%
Carnegie Small Cap Return Index	0.8%	3.4%	1.9%	40%	-3.9%	73%	9.3%

** 5 August 2019*

FlatexDegiro

Back in an Old Favorite - the Same Fine Business but 40% Cheaper
We bought the pan-European online broker FlatexDegiro in February 2025, based on our assessment that it is a quality company with high growth in a fragmented European market and a scalable business model. The stock was then valued at a P/E of 11 on the company's guidance for 2027, whereas we judged that 20 was more reasonable. The stock doubled in less than a year and we sold in February this year at around EUR 40. Now it has fallen to EUR 25, close to 40% below the peak, and we have bought in again.

The company offers share trading and savings for private individuals under the brands flatex in Germany and Austria and DEGIRO in the rest of Europe, with about 3.7 million customers. Revenue comes mainly from brokerage fees and from interest on customers' cash, which accounts for roughly one third.

In 2025, revenue grew by 17% to EUR 560 million, and in the first half of 2026 by 22% compared with the same period the year before. Since the platform's costs are largely fixed, profitability has at the same time improved: profit rose by 41% in the first half and the profit margin from 29% to 34%. The company now expects to reach or exceed already this year the guidance for 2027 that was given in 2025. Customers also stay - only about 1.4% of accounts are closed per year.

The Clouds of Concern - and How We See Them
Management and governance: In September, the chair of the board left his post after a disagreement about strategy. The CFO became CEO of the brokerage business, while the sitting CEO keeps corporate clients and treasury. In addition, a growth chief was recruited from the crypto platform Bitpanda.

That raised concern that the founder and principal owner Bernd Förtsch, who owns about 15%, is taking a firmer grip without prioritizing shareholders. The company pays out only 20% of its profit, despite having more capital than the business requires.

We interpret the changes as a push for growth and judge that the principal owner's interests coincide with those of the other shareholders. On 15 October came the sign we wanted to see: a buyback program of up to EUR 100 million, equivalent to 3.5% of the shares. Förtsch has since bought shares for EUR 3.6 million.

Trading activity: Thanks to the scalability, the revenue from each trade falls almost entirely down to the bottom line, so lower trading hits profit quickly. A crash among hyped AI stocks could therefore pressure earnings, since many savers then tend to "bury their heads in the sand" and stop trading. So far, activity has been stable at around 20-26 trades per customer per year since 2024, far from the overheated situation of 2021. In addition, interest income (37% of revenue in Q3 2026) provides a buffer.

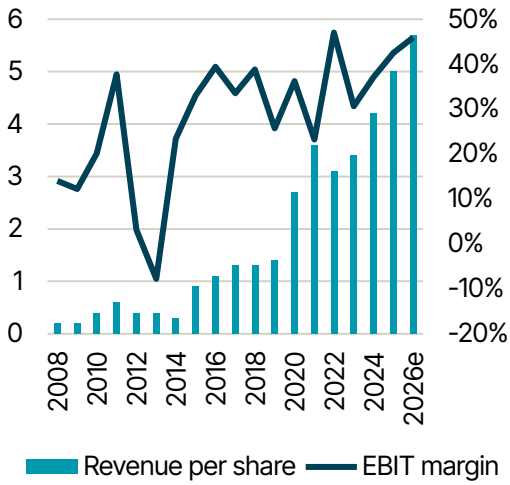
Dutch tax: The reform is now proposed to tax shares only on sale from 2028, instead of annually on unrealized gains. The effect should be limited, since the company's just over 900,000 Dutch customers mainly save long term in funds, and we therefore think revenue per customer from there is relatively low.

New customer intake: This is the concern we take most seriously. The number of new accounts was 15% lower in January-August than the year before, despite sharply increased marketing, and the cost per new customer doubled during the first quarter. The state-subsidized German pension savings account from 2027, which flatex already offers free of charge, could become a new channel for customers.

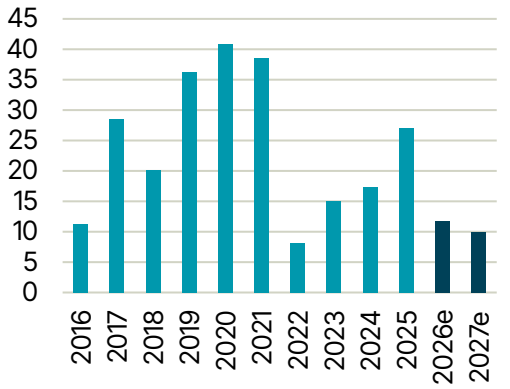
Attractive valuation for a long growth journey: At today's share price, the stock trades at a P/E of under 11 for 2026, that is, just under eleven times this year's expected earnings, and under 10 for 2027. That is even lower than when we bought the first time, for a company with a long history of profitable growth and a continued long growth runway. In addition, the company is valued clearly lower than Nordnet and Avanza, even though we judge FlatexDegiro to be the company with the greatest opportunity for high sustainable earnings growth. We judge that today's share price gives a good margin of safety even with somewhat lower new customer intake.

FlatexDegiro constitutes 2.4% of Kavaljer Quality Focus.

FlatexDegiro: Impressive history and a long growth runway ahead



FlatexDegiro: The P/E is now back at attractive levels



Peer table: European online brokers

Key figures	Flatex DEGIRO	Avanza	Nordnet
Number of customers / accounts (million)	3.7	2.4	2.6
Number of markets	16	1	4
AUM / savings capital	112,650	112,664	128,850
Revenue	640	458	555
Annual revenue per customer (EUR)	180	200	229
EBIT margin	44.3%	69.0%	70.6%
Net profit	205	269	316
Market cap	2,606	5,100	7,482
P/E (trailing)	12.7x	19.0x	23.7x
P/AUM	2.3%	4.5%	5.8%
P/S (trailing)	4.1x	11.1x	13.5x

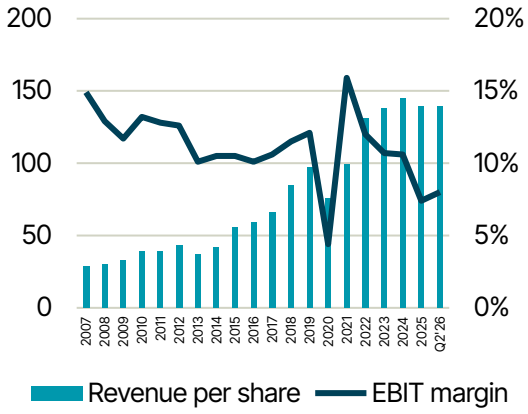
EUR million unless otherwise stated. Customers and savings capital as of 30 Sep 2026, income statement items LTM Oct 2025-Sep 2026.

BTS Group

Our Thesis Holds, but the Valuation No Longer Gives the Same Margin of Safety

In April we wrote about BTS Group, a consulting company that helps large companies carry out their strategies and develop their leaders, among other things with the help of business simulations. The stock had then been weighed down by concern that AI would make the company's simulations one solution among many. We judged that risk to be exaggerated, at least over a horizon of a few years. BTS is fundamentally a consulting company where the simulation is what sets the offering apart, and we judged that AI over the coming years could rather lower the company's costs than put pressure on revenue. The market nevertheless valued the company as a consultancy with low profitability. It did not count on the period of unusually high profitability that we believed could come first.

BTS Group: The temporary problems turned out to be just temporary



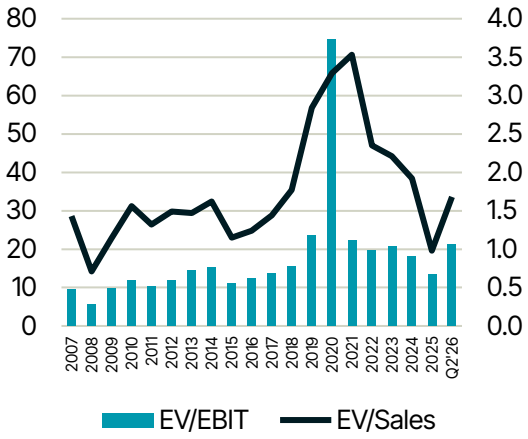
The Share Price Has More Than Doubled From the Bottom

Since then, the stock has gone from just under SEK 100 at the bottom to around SEK 225. The development has gone in the direction we hoped. North America was the company's only major operational problem and is growing again, and since the first quarter of 2026 this part has returned to profitable growth.

Same Thesis, but a Different Valuation

We have not changed our view of the company. What has changed is the price. In April we sketched that BTS in two to three years could reach an operating margin before acquisition-related amortization (EBITA margin) of around 20%. The stock could then be valued at about 13 times that result. From the share price levels in the spring, that meant a multiple-fold increase. At today's share price, a large part of that upside has already been taken out, and the potential that remains essentially requires that everything goes according to plan.

BTS Group: The valuation has normalized. Continued profitability improvements do, however, give further significant upside.



It was precisely the room for missteps that made the stock extra interesting. The AI risk in the longer term remains. At today's valuation, weaker development than we have assumed would hit the share price harder than when the stock traded around SEK 100. We therefore judge that the relationship between risk and opportunity is no longer as attractive, and the fund has sold the entire holding.

Swedencare

Crisis of Confidence, but the Stock Should Recover as Soon as the Company Delivers on Its Promise

Swedencare develops and sells premium products for pets, including for dental health and nutritional supplements. The company has historically grown fast, both organically and through acquisitions, with an EBITDA margin of around 25%. In recent years growth has slowed to about 10%, and the EBITA margin has fallen to about 17%.

The report was a clear disappointment, with organic growth of only 2% but an acceptable EBITA margin of just over 17%. The explanations for the weak growth seem reasonable one by one. The problem is that explaining things away has become the rule rather than the exception, which has damaged confidence in the stock.

North America Decides

Large parts of the business are developing well, but profitability in North America, above all in NaturVet, needs to improve, and debt of 3.0 times EBITDA needs to come down. Costs there have been too high but are now approaching reasonable levels. On Amazon, third-party sellers have dumped prices on NaturVet's products, which as a result have lost ranking. The problem is now said to be solved, but growth is still weak. If North America reaches reasonable profitability, we judge that the earnings increase could be significant, which could also restore confidence.

Low Valuation in Relation to Earnings

For 2027 we judge that at least 5% growth and an 18% EBITA margin are reasonable. That gives a P/E of just under 9, adjusted for acquisition-related amortization. We judge that the valuation is too low and that it can normalize when management regains the market's confidence.

Swedencare constitutes 3.1% of Kavaljer Quality Focus.

Bonesupport

Growth Is Accelerating Even Though Higher Reimbursement in the US Has Barely Begun to Take Effect

Bonesupport, based in Lund, sells Cerament, an injectable bone substitute material that over time is converted into the patient's own bone tissue. The variants Cerament G and Cerament V also release antibiotics (gentamicin and vancomycin respectively) directly where needed, which is particularly valuable in hard-to-treat bone infections. Cerament is used in foot and ankle, joint replacement surgery and trauma, that is, fractures. The US today accounts for 84% of sales and 90% of operating profit.

Clearly Stronger Than Expected - and Better in All Parts

Revenue grew by 39% in the third quarter. Sales also increased compared with the second quarter in all parts of the business. The strong growth was welcome after a period of a somewhat weaker trend. For the full year, the company expects growth of 33-35%.

More Customers Who Also Use the Product More

The company continues to win new customers at a high rate, and the salespeople hired over the past year seem to have gotten off to a good start. At the same time, usage among existing customers is increasing.

Sales grew in all three areas (trauma, foot and ankle), and the company judges that penetration in trauma can over time reach the same level as in foot and ankle, where it is still low. With Cerament V, the company hopes to reach new surgeons, since more and more American surgeons seem to prefer vancomycin, and expects the product to take sales from Cerament G only to a small extent.

New Reimbursement in the US Gives Its Main Effect in 2027

Since 1 October, treatments with Cerament G in complex bone infections are placed in the highest-reimbursed diagnosis groups within Medicare, that is, the American government health insurance for the elderly. The decision from the agency CMS (Centers for Medicare & Medicaid Services) means that hospitals are paid better when they use the product. It applies only to inpatient care, but that is where most of the sales take place today. The company also believes that the reimbursement can dampen the jerky usage that was seen in the second quarter, when hospitals switched between using the product and waiting.

Higher reimbursement is not only good for BoneSupport, but potentially a game changer. That the company's products are loved and preferred by surgeons we already know, there the uncertainty has never existed. What has been a source of friction is that the tendency has been for doctors to start using Cerament for an ever higher share of their operations. Since the product is clearly more expensive than the alternatives, in combination with the Medicare reimbursement not having been high enough, surgeons' use of Cerament has often run into resistance from the hospital's finance chief. This has created a jerkiness in adoption per hospital, since BoneSupport has had to educate the hospital that the patient's lifetime cost is in fact reduced with Cerament because side effects decrease.

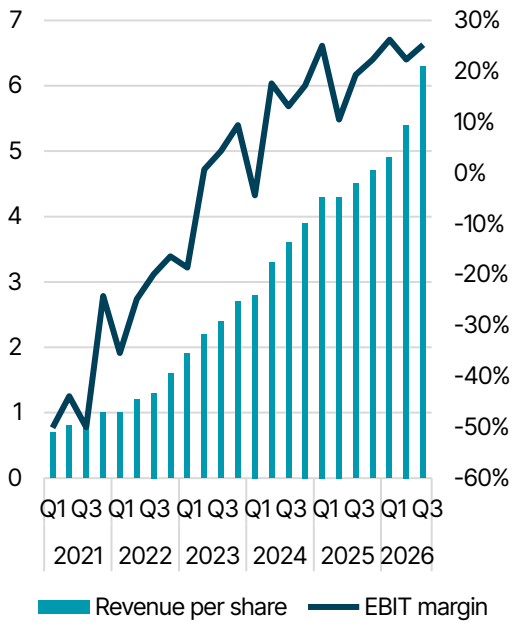
High Profitability Even Though Full Scale Has Not Yet Been Reached

The operating margin is now about 33%, even though the company is still too small to fully benefit from its economies of scale. About 44% of the increased sales became operating profit, and we judge that this level is closer to the margin the company can reach in the long term. Commissions to the sales force were stable at around 32% of sales. During the coming quarters and next year, the company will invest more in the US sales organization.

Summary: We judge that Bonesupport has good prospects of continuing to grow profitably, supported by more customers, increased use per customer and an improved reimbursement in the US that has not yet had full effect. The stock has performed really strongly after the report for the third quarter, which is why we have reduced our holding. We nevertheless judge that the stock's long-term potential is very high.

Bonesupport constitutes 4.1% of Kavaljer Quality Focus.

BoneSupport: Strong growth that is now accelerating with high scalability



Bravida

A Fully Valued Quality Company That Is Now Carried by the AI Story
Bravida is one of the Nordic region's largest installation companies. The company installs and maintains electrical, plumbing and HVAC, automation and security technology, and roughly half of revenue comes from service, that is, ongoing maintenance that is less sensitive to the economic cycle than new installations. This gives relatively high predictability in earnings, and over time earnings per share have grown strongly.

The valuation has, however, been very volatile during the 2020s. First the company went from being seen as relatively "boring" to becoming a beloved serial acquirer, that is, a company that grows through many acquisitions of smaller companies. Then it was seen as a cyclical company, like so many other Swedish companies, and was also hit by large write-downs in Danish projects. In spring 2024, Region Skåne accused the company of overbilling, and several municipalities and regions have since made similar accusations. That made the market question the company's foundations. When Denmark had turned around in 2025, the company suddenly started to win large orders for installation of data centers, and it thereby became an AI winner, the dream of every listed company. That is where we are today.

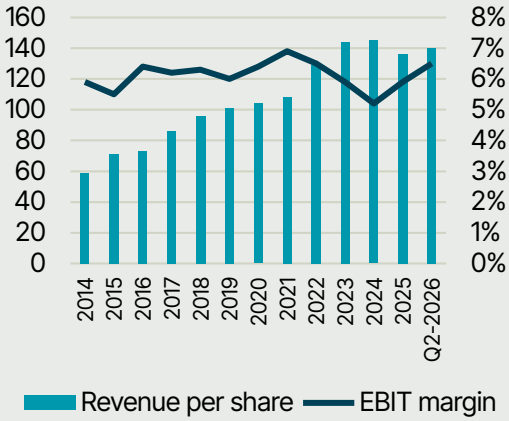
The market's view of Bravida has swung like a yo-yo in recent years. When the company has had a negative sheen over it, the valuation has been very low in relation to the company's quality. We judge that the reverse applies when the positive sheen is evident, and then the valuation risks becoming too high.

A year ago, when the company's credibility was questioned after the overbilling accusations, the stock stood at around SEK 80 and was our largest holding. Today, at around SEK 150, the stock has risen by about 80% and trades at a P/E of almost 22 based on the last twelve months' earnings, that is, almost 22 times what the company has earned during the period. At that level, we have sold our last shares.

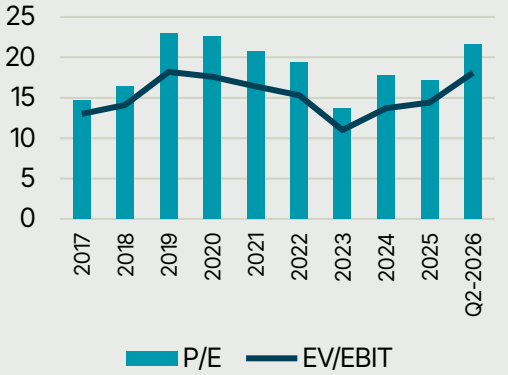
Even if the AI optimism can continue and Bravida keeps delivering in line with its fine track record, the uncertainty about future growth has increased. It has become increasingly difficult to judge how big a driver the data center investments will be going forward, and how large a share of that volume Bravida can take. The profitability in these large projects is also hard to predict.

We judge that a valuation of almost 22 times earnings leaves little room for disappointments when the basis is so uncertain. If we get a lower valuation, or better visibility on how big the data center business can become and what share Bravida takes, we would gladly own the fine quality company again.

Bravida: A reliable machine



Bravida: Top multiples despite near-record profitability



"Price is what you pay, value is what you get."

Warren Buffett

Nacka Strand, 2 November 2026
Peter Lindvall, Håkan Telander, Jesper von Koch, Jakob Wahlberg

More information about the fund
Information below can be found at https://kavaljer.se/

Kavaljer AB
Cylindervägen 12, 9th floor
Box 1221, 131 28 Nacka Strand
info@kavaljer.se
+46 8 684 393 00
kavaljer.se