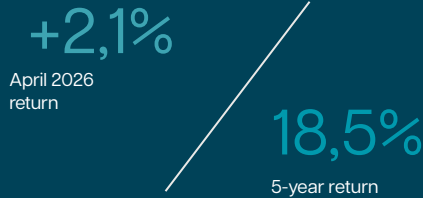


Monthly Report April 2026

Kavaljer Quality Focus



Monthly Commentary

A Comeback Month for the Stock Market

April turned into a very strong month for equities after the exceptionally weak performance in March. The broad Stockholm market (OMXSPI-GI) rose 5.0%, and the global index (Dow Jones Global Index) climbed a full 9.9%. The small-cap index (Carnegie Small Cap Return Index Sweden) started April very strong, but gave back some ground toward the end and finished at +4.7%.

Shifts in the market's "mood" open doors in new sectors

Our approach can be summed up simply: we own companies that have proven their quality through a strong financial track record, together with solid reasons to believe the outlook remains bright. One crucial—and decisive—extra requirement is that these companies must also be attractively valued.

At a high level, the stock market is often portrayed as "Mr. Market," who is bipolar—one day he's euphoric and sees only upside and potential, and the next he's downbeat and sees only downside and risk. That's the foundation for the market's sharp moves, both up and down.

In practice, Mr. Market doesn't just act on the market as a whole—he also shows up in different "pockets" of it, where his mood can differ dramatically.

These swings repeatedly create chances to lock in gains in overvalued stocks and rotate into high-quality companies that have temporarily fallen out of favor with the market.

We see a setup like this today in medtech. During the COVID era, valuations were pushed higher by structural growth, ESG-driven inflows, ultra-low interest rates, and temporary demand tailwinds. Today the picture is the opposite: higher rates, normalized demand, and rising cost pressure in healthcare have resulted in more muted growth and, in particular, clearly lower valuations.

The combination of slower growth and a higher discount rate has weighed on valuations, even though the underlying performance at many companies has remained strong.

We've identified two such companies (Bonesupport and Xvivo) whose businesses look more promising than ever, yet their valuations have been cut dramatically and now look very attractive. In this letter, we'll walk through these companies and why we believe we're seeing two compelling opportunities right now.

Risk Information. The information on this page is not investment advice. Past performance is not a guarantee of future results. The value of money invested in the funds can go up as well as down, and you may not get back the full amount you invested. Before investing, please read the fund's fact sheet and information brochure.

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 969 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	2.75	3.7
Beta	0.83	0.82
Sharpe-Ratio	0.25	0.16
Standard Deviation	15.16	18.41

*Share Class A

Fund performance

Kavaljer Quality Focus returned +2.1% for the month. Over the past 5 years, the fund's return totals +18.5%, compared with +38.1% for the Stockholm stock market (OMXSPI-GI), but a mere +0.2% for the small-cap index.

The biggest positive contributors among the fund's holdings this month were Storytel, Proact IT, and Xvivo. The biggest negative contributors among the fund's holdings this month were RVRC, Nederman, and Green Landscaping.

Changes and holdings

During the month, the fund reduced its positions in Storytel and RVRC (though we bought back after the post-earnings dip). We also added to Carasent, Swedencare, Green Landscaping, Vitec, BTS Group, and CAG Group.

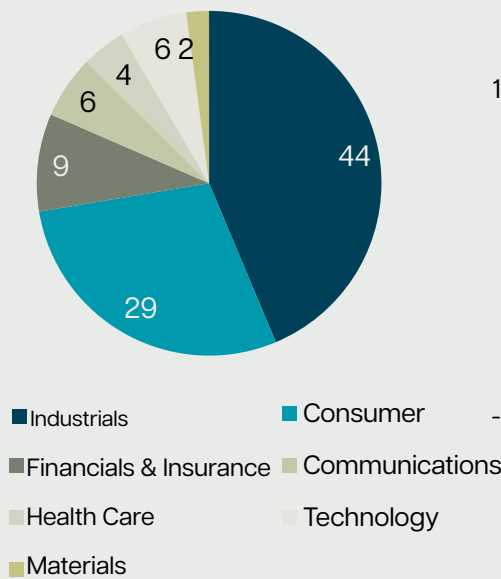
The equity allocation was 98%.

Top 20 holdings, %

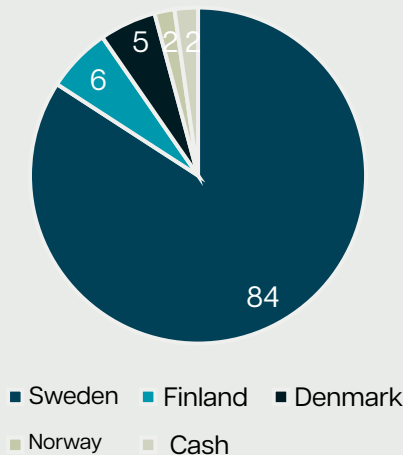
Storytel	5.2
Securitas	4.7
Carasent	4.6
New Wave	4.2
Proact IT Group	4.2
Swedencare	3.8
RevolutionRace	3.7
Huhtamäki	3.5
Bravida Holding	3.4
Ratos	3.3
Alligo	3.3
Bonesupport	3.2
Inwido	3.2
Brdr. A&O Johansen	2.9
Xvivo Perfusion	2.9
ITAB Shop Concept	2.8
Valmet	2.7
Dometic Group	2.6
Idun Industrier	2.6
Pandora	2.6

Total number of portfolio holdings	36
Top 20 as % of total	69.2

Sector allocation in %



Geographic allocation in %



Return after fees, %



Best and worst – this month's contributors

Company	Return contribution
Storytel	0.7%
Proact IT	0.6%
Xvivo	0.6%
RVRC	-0.6%
Green Land.	-0.4%
Nederman	-0.4%

Deeper thoughts on our holdings

Securitas: The last two reports reinforce our investment thesis

After a strong Q4 that delivered on the 8% EBITA margin target, the Q1 report was another step in the right direction—now 21 straight quarters of profitability improvements.

Underlying growth also looks healthy, and if the company can lift growth in Technology & Solutions to 6–7% from today’s 4–5%, we believe the stock could see a meaningful boost.

Earnings per share (EPS) growth is accelerating as one-off costs fade. EPS before one-time items came in at SEK 2.47 in Q1, up 16% year over year, consistent with the path toward ~SEK 13–14 for the full year. Cash flow was strong, and net debt/EBITDA of 2.2x is very manageable and expected to decline further over the year.

The streamlining continues, and portfolio optimization in Europe and Ibero-America is expected to wrap up in Q2—the airport operations are now gone. The company is essentially through its refocusing phase, which should mean fewer one-offs and adjustments that have so far obscured the healthy business that’s been there all along.

We still view the historical valuation of 16–17x net profit as reasonable, and on that basis the current P/E of 11–12 (adjusted for acquisition-related amortization) remains very inexpensive. That’s why Securitas is still one of our largest holdings.

Securitas makes up 4.7% of Kavaljer Quality Focus.

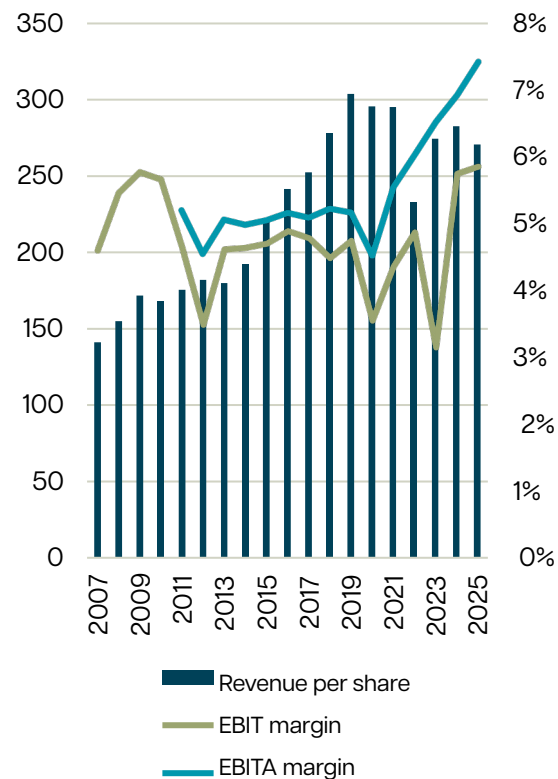
BTS Group: Choppy share price, but our original thesis still holds

Q4 results were weak as expected, but the outlook ahead is encouraging. The stock has been weighed down by concerns that AI could turn the company’s simulation solution into just another commodity. We see that risk differently.

BTS has an exceptionally strong financial track record—in practice, the company has only been exposed to one downturn, and the only major operational misstep (North America) was addressed quickly. The CEO is, in our view, highly capable: she ran the North America business successfully for a long time, showed an early understanding of AI, and positioned the company well. Any uncertainty around her likely stems from the recent issues in North America, but that segment now appears to have returned to growth.

Our view of AI-driven disruption risk is based on BTS essentially being a consulting firm, where simulation has historically been what set the offering apart—not a standalone software platform pitched on the premise that customers want to simulate a long list of things.

Securitas: Profitability continues to strengthen



Time period	1 mo	Year to date	1 yr	3 years	5 years	Since inception*	Average annual return
Kavaljer Quality Focus	2.1%	-9.6%	-4.4%	20%	19%	103%	12.2%
OMXSPI-GI	5.0%	3.7%	17.6%	35%	38%	112%	13.0%
Dow Jones World Index	9.9%	6.4%	29.3%	63%	50%	106%	12.5%
Carnegie Small Cap Return Index	4.7%	-3.3%	1.4%	11%	0%	62%	8.1%

* August 5, 2019

BTS Group: Continued

The true worst-case scenario isn't that BTS's platform becomes obsolete—it's that simulations become so easy to build that other consulting firms create their own solutions and integrate them in the same way. That would put pressure on pricing and profitability, but we believe this is still several years away, even under a pessimistic scenario.

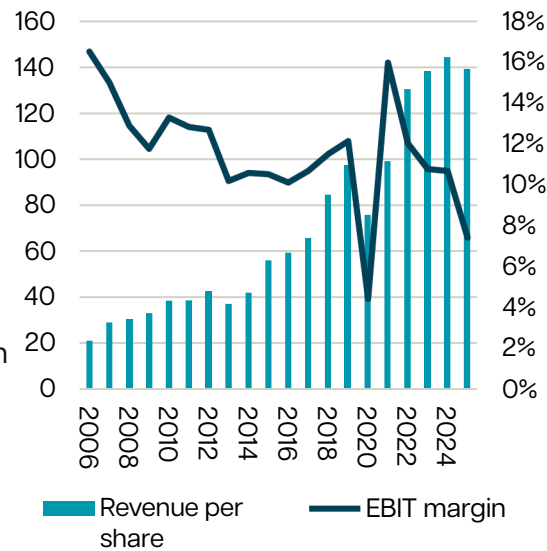
The more interesting question is what happens before then. We believe BTS will run at above-normal profitability for a period: revenues are maintained and grow, while AI enables meaningful cost savings in the back office for maintaining the simulation platform. Any potential negative impact on revenue and profitability would therefore—if it materializes—come only after the company has gone through a stretch of unusually high profitability.

The end state would be BTS becoming a "standard" consulting firm with an integrated simulation platform—just like its competitors. But at today's valuation, it's already priced like a low-cost consultancy with weak profitability, without the market giving credit for the interim phase.

From a timing perspective, we therefore see a reasonable chance that in 2–3 years the company could be in a position of high revenue and strong profitability (perhaps around a 20% EBITA margin) at a fair multiple—say 13x EBITA. That would imply a multiple of today's levels.

BTS makes up 2.1% of Kavaljer Quality Focus.

BTS Group: Deep but likely temporary downturn, with a clear rebound in 2026



Storytel: Strong resilience in the face of Spotify's entry

Storytel continues to deliver solid, steady quarterly results, with decent growth and improving profitability. The elephant in the room, of course, is Spotify's move into the Nordic audiobook market—and what that could mean for Storytel.

In our November 2025 monthly letter, we wrote:

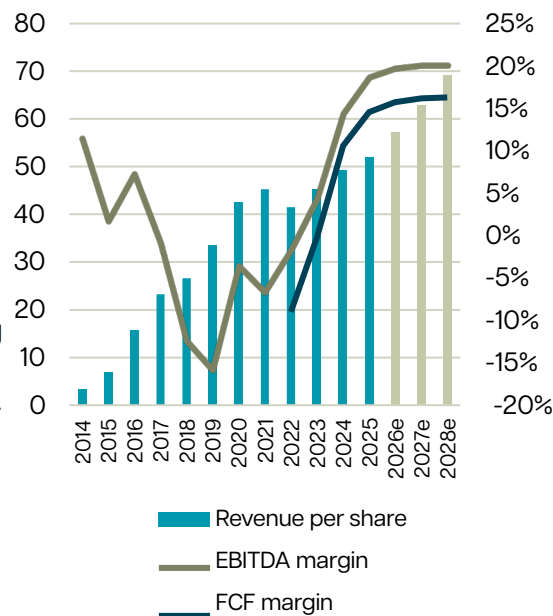
“Without trying to predict how this will play out over the longer term, we believe that once the market sees Storytel's strong earnings growth over the next 18–24 months, it will effectively declare Storytel the winner ahead of time. In that case, we think the market will reward Storytel with a higher earnings multiple.”

At the time, the stock was trading a bit above 70kr and climbed to over 100kr ahead of the Q1 report. We believe our November thesis is unfolding as expected, and we saw the company's strong new-customer intake in the Nordics during Q1 as a clear positive signal in the key Spotify question. We therefore think the thesis can continue to play out going forward.

On top of that, Storytel is set to move up to the main list this summer, and the company will likely launch a share buyback program—while still having the capacity to continue acquiring publishing businesses.

While we've trimmed our position a bit at prices above 100kr, Storytel remains our largest holding and represents 5% of Kavaljer Quality Focus.

Storytel: Growth is expected to continue with strong, stable profitability



Overview: Xvivo – The Gold Standard in the Making for Organ Donation

Only ~20% of donated organs are used today, while just ~10% of patients receive an organ. Xvivo tackles this with machine perfusion—a technology that keeps organs viable outside the body for longer, enabling better matching, better outcomes, and more flexible logistics.

The company also provides solutions for organ assessment (e.g., lungs via EVLP), increasing the share of organs that can be transplanted. The offering is mission-critical for healthcare systems and addresses a structural global shortage of organs.

Clear Competitive Advantages and High Barriers to Entry

Xvivo has several strong competitive advantages:

- Better clinical outcomes—higher survival rates and longer organ preservation time
- Cost advantages by avoiding competitors’ expensive transport methods
- Proprietary technology, including advanced perfusion fluids that are hard to replicate
- Regulatory approvals that create significant barriers to entry

Today’s alternatives keep organs viable for a shorter time, which limits matching and utilization. Xvivo’s solutions address this head-on.

High Share of Recurring Revenue and Strong Gross Margin

Xvivo generates about SEK 0.8 billion in revenue (2025) with a 20% EBITDA margin. A 75% gross margin provides strong operating leverage as the business scales. The model is a classic razor/razorblade setup: customers buy a somewhat higher-priced system upfront, then continuously purchase high-margin consumables.

Revenue by organ type is currently led by Lungs (U.S.) at ~65% of sales, followed by Liver (Europe) at ~25% and Kidney (EU + U.S.) at ~7%.

A Major Investment Phase Is Behind Them—High Scalability Ahead

Since inception, Xvivo has reinvested virtually all profits into scaling production, along with clinical trials and regulatory approvals—something that has weighed on cash flow. From 2028/2029, investment levels are expected to ease as more approvals come through, which should improve cash flow.

Near-term Heart approval—a game-changer for the company

The single most important catalyst is the company’s heart solution, especially in the U.S. The product extends preservation time from ~4 to ~15 hours, enabling broader geographic matching and driving higher transplant volumes.

The market is highly attractive: heart transplants are ~50% more common than lungs in the U.S., and pricing is ~10x higher—making heart a much bigger opportunity.

Main competitor TransMedics has clear drawbacks: expensive logistics (private jets) and weaker clinical outcomes, often requiring ECMO. Xvivo’s solution is both lower-cost and clinically stronger, creating strong incentives to switch.

Key study data is expected at the end of April, followed by a potential EU approval in June and U.S. approval in mid-next year. In just one year in Australia/New Zealand, without formal approval, the product reached 28%, and after 3 years it’s at 40%.

Accelerating growth drives sharp profit expansion

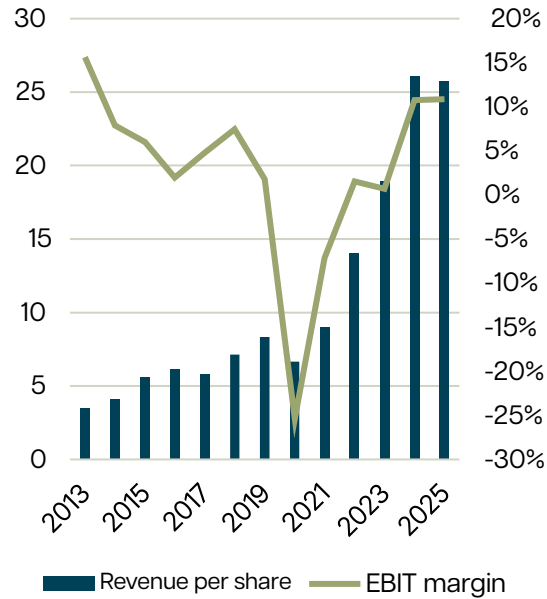
We estimate the core business (lung, liver, kidney) can grow 15–20% annually. At the same time, the company sees heart as the future primary growth driver, with the potential to make up the majority of revenue within five years.

That implies revenue of ~SEK 3bn in 2030 (up from ~SEK 0.8bn today). With a high gross margin, we see strong scalability, with EBIT around SEK 1bn at a 33% margin.

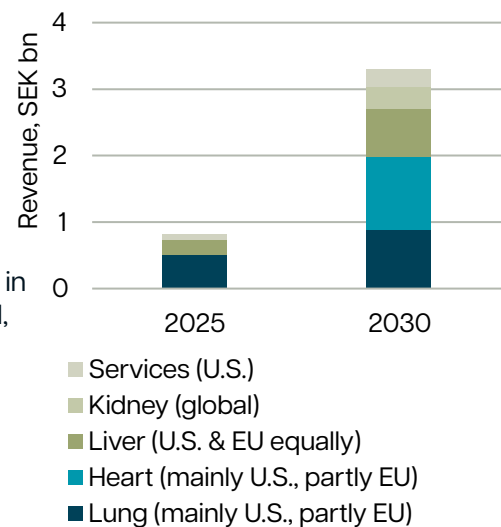
That equates to roughly 8x EBIT, with potential for the share price to multiply.

Xvivo makes up 3.0% of Kavaljer Quality Focus.

Xvivo: Rapid, profitable growth – likely just getting started



A Heart inflection point in the U.S. from mid-2027 could make the company several times larger by 2030



Overview: Bonesupport – the Gold Standard in Bone Reconstruction

Bonesupport is a Swedish medtech company that develops bioceramic bone-graft substitutes (Cerament) to treat bone voids caused by fractures and infections. The product replaces traditional autografts—where bone is taken from the patient—by offering an injectable solution that both fills the cavity and delivers antibiotics locally. The result is shorter hospital stays, lower costs, and better clinical outcomes (no infections, which means fewer complications, including amputations).

The product portfolio includes three versions: Cerament BVF (no antibiotics), Cerament G (gentamicin, approved in the U.S. since 2022), and Cerament V (vancomycin, FDA application submitted Dec '25).

Strong growth with a scalable model

Since 2017, revenue has grown more than tenfold, and the company reached profitability in 2023. EBIT margin is now above 20%, with gross margin near 93%, creating meaningful operating leverage. With continued growth, margins of 40%+ are viewed as achievable over time. The company also has net cash, providing flexibility in capital allocation.

Large market with early penetration

The bone-graft substitute market is sizable, but synthetic options still have low penetration. In the U.S.—which accounts for ~80% of revenue—pricing is meaningfully higher than in Europe and is the primary growth engine.

Adoption is still early: the company has engaged only a limited share of addressable hospitals and trained just a fraction of orthopedic surgeons, with an adoption cycle that spans several years. This means the existing pipeline is not yet fully penetrated. Beyond the core segment, new growth avenues are opening in revision surgery, spine surgery, and geographic expansion (including India).

Clear competitive advantages and strong moats

Bonesupport has a strong moat built on clinical evidence (140,000+ patients and 350+ studies), which is critical in a conservative, evidence-led market. Add to that patent protection through the mid-2030s and a regulatory first-mover position in the U.S., where the company has defined a new product category. Together, this creates high barriers to entry for competitors.

Catalysts

The most important near-term driver is a potential FDA approval of Cerament V in 2026, which is not included in the company's guidance.

Additional catalysts include:

- Publication of the SOLARIO study (could shift the standard of care)
- Capital Markets Day focused on expansion into Spine
- Continued rapid growth in the U.S. for a long time

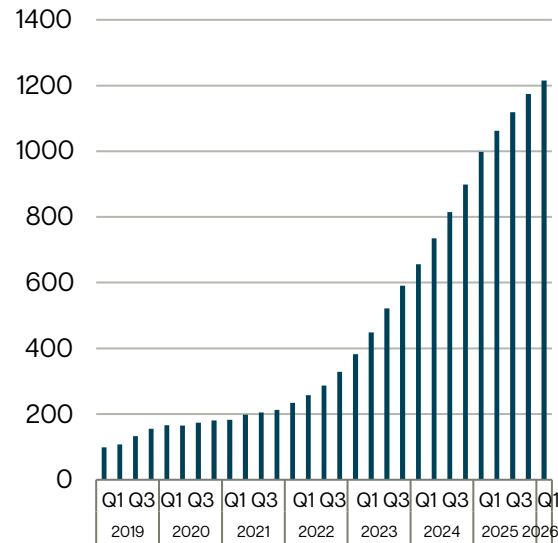
Valuation doesn't reflect long-duration, predictable growth

On 2027 estimates, the company trades around EV/EBIT ~21.5, which is then expected to drop to just under 14x for 2028. Given the growth profile, margin potential, and strong competitive advantages, we view this as too low for a high-quality company.

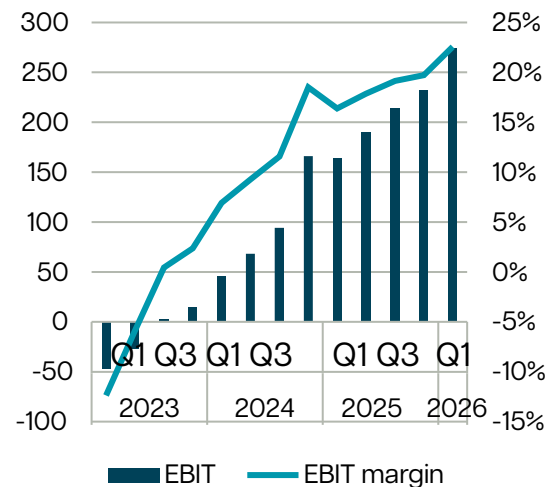
The high short interest (~11%) lacks, in our view, a clear fundamental thesis and could itself become future buying pressure.

Bonesupport represents 3.1% of Kavaljer Quality Focus.

BoneSupport: Rapid growth that's steady as clockwork



Scalable business model with rising profitability as revenue grows



"The best opportunities are usually found where others aren't looking."

Peter Lynch