SEN Asset Management

INVESTMENT LETTER

Monthly letter

April

Independent Investment Firm

Long-Term Perspective – Fundamental Analysis – Disciplined Capital Allocation

SEN Asset Management – Monthly Report April 2026
Head of Research Commentary
Carl-Fredrik Ekström, Head of Research

This report covers key portfolio developments, market conditions, and how we're positioned heading into May. Despite ongoing geopolitical uncertainty, equity markets held up well during the month, helped by a busy earnings season and a renewed focus on company fundamentals.

Carl-Fredrik Ekström gives an overview of the market environment and portfolio positioning, while Viktor Söderberg takes a closer look at the reporting season and key company developments.

Executive Summary & Portfolio Performance

In April, the SEN portfolio returned 5.27%, well ahead of our benchmark index (OMXSPI), which rose around 1.5%.

The big talking point this month has been, believe it or not, the Middle East. Specifically, whether the Strait of Hormuz would reopen for oil shipments. Things have calmed down somewhat, though unlike previous Trump-organized events, this time it takes two to taco.

That said, our edge isn't in predicting geopolitics. Our job is to find great investments with strong risk-adjusted potential. In uncertain times like these, we keep coming back to three things: 1. "Time in the market beats timing the market" – Ken Fisher. 2. Barton Biggs' research on wealth preservation during World War II, which found that even in extreme uncertainty, equities are the best way to protect capital. 3. "In the short run, the market is a voting machine. In the long run, it is a weighing machine." – Benjamin Graham.

Most of our time this month went into reading quarterly reports from companies on our radar. Top contributors included Mildef, Hacksaw, Epiroc, and Adtraction. On the negative side, Rugvista, Svedbergs, and Sweco weighed on returns. Overall, we're pleased with what our companies delivered. More on that in the company comments section below.

Market Environment & Sector Developments

MACRO BACKDROP

April marked a partial recovery following the volatility observed in March. Geopolitical tensions in the Middle East eased somewhat during the month, with reduced market focus on developments around the Strait of Hormuz. As a result, investor attention shifted back toward company fundamentals.

The OMXSPI index increased by approximately 1.5% during the period. Our portfolio returned 5.27%, corresponding to an outperformance of roughly 3.8 percentage points. We view this as a solid outcome given the continued uncertainty in the broader macro environment.

Market performance in April was not broad based. Instead, returns were driven by company specific developments, particularly quarterly earnings. Companies delivering stable results and clear forward guidance were generally rewarded, while weaker reports led to meaningful share price reactions. This type of environment tends to favour a selective and fundamentals driven investment approach.

THE TARIFF OVERHANG

In addition to geopolitical developments, US trade policy has remained a key theme. Market expectations have shifted throughout the quarter between scenarios of prolonged tariff tensions and a more negotiated outcome.

Our current assessment is that the direct impact on our core holdings is limited. The portfolio’s exposure to European defense technology, oncology software, and Nordic industrial companies with predominantly domestic revenue reduces sensitivity to cross border trade restrictions.

That said, indirect effects remain relevant. These include potential input cost pressures and weaker demand in export oriented sectors. We continuously evaluate these factors within our investment cases and incorporate them into our assumptions where appropriate.

Portfolio Strategy & allocation changes

April was characterised by incremental adjustments rather than broad changes to portfolio positioning. The most notable action during the month was a partial reduction of our position in Hacksaw.

Since our initial investment, the position has generated a total return of approximately 46.5%, making it the strongest contributor to performance in absolute terms. While our underlying view of the business remains unchanged, supported by strong cash generation, an active share buyback programme, and reasonable valuation levels relative to earnings expectations, the risk reward profile has become more balanced following the share price development.

We therefore chose to reduce the position while maintaining a meaningful holding. This reflects a combination of continued confidence in the company and a disciplined approach to capital allocation.

The capital released has not been redeployed immediately. We continue to prioritise selectivity and are focusing on opportunities where we see clear earnings visibility, sound financial positions, and business models with the potential to compound over time.

The portfolio remains concentrated in areas where we have high conviction, including defense technology, oncology software, Nordic industrial companies, as well as selected consumer and real estate exposures. Overall, the positioning reflects a preference for businesses with stable fundamentals rather than short term market driven opportunities.

COMPANY COMMENTS

MilDef

Analysis by Carl-Fredrik Ekström
Head of Research

MilDef was one of the strongest contributors to portfolio performance in April following a strong Q1 2026 report. The company reported record order intake of SEK 1,085 million, corresponding to 169% year-on-year growth, while net sales increased 108% to SEK 708 million. Profitability improved materially, with adjusted EBITA reaching SEK 121.6 million, corresponding to a margin of 17.2%, compared with 4.6% in the same period last year. Free cash flow also strengthened significantly to SEK 159 million from SEK -75 million in Q1 2025.

The performance was supported not only by acquisitions, but also by strong underlying development. Organic sales growth came in at 41%, while organic order intake growth reached 134%. Management highlighted improved delivery execution, continued margin progression, and good cost control excluding acquisition-related expenses.

Looking ahead, continued demand strength remains a key takeaway. MilDef ended the quarter with an order backlog of SEK 4,051 million, up 46% year-on-year, providing solid support for future growth. Management indicated that the backlog already supports approximately 20% growth in 2026 deliveries, with just under SEK 1.9 billion related to the current year.

We also see the expansion of the solutions offering and the development in Germany as strategically important. During the quarter, MilDef secured several larger system engineering contracts, which are expected to support higher margins and more stable cash flows over time. At the same time, the German market outlook remains favourable, supported by increased defence spending, while the integration of roda continues to progress according to plan.

Overall, the report reinforces our view that MilDef is benefiting from strong structural demand while continuing to improve its operational execution. Management noted that order intake and sales may vary between quarters, but the underlying trajectory remains clearly positive.

RaySearch

Analysis by Viktor Söderberg
Equity Research

RaySearch reported a weaker quarter relative to expectations, with net revenue declining 12% year-on-year, or 5% adjusted for currency effects. The result was primarily explained by two factors: meaningful currency headwinds, and a single larger order to China that was delayed into Q2 due to tariff-related complications.

We don't view either factor as a sign of underlying business deterioration. RaySearch operates in a market where quarterly revenue can be uneven by nature, a characteristic management has been upfront about and one we factored in at the time of our initial investment. It's also worth noting that the company has grown its top line every year since 2010, with the sole exceptions being two years during the pandemic, when hospitals prioritized covid.

The breakdown of the lower revenue confirms the explanation, as license sales fell by 20% while steady recurring support revenue grew by 8% (after adjusting for currency changes). This distinction is important because the growing recurring base and the SEK 624 million order backlog, which will turn into revenue over the next year, give us a clearer view of the future. Additionally, the delayed order provides a clear, near-term catalyst for a Q2 boost.

Another positive thing is that the management raised its long-term EBIT margin target to above 30% by 2028 as expected and confirming our thesis that the business can reach a higher scale. Management also expressed confidence in reaching a 26% margin for the full year 2026 despite the soft Q1, which also reinforces our belief that this quarter was an exception.

Customer activity also showed encouraging signs, with oncology centres in France, China, and Germany all selecting RayStation and RayCare over competing systems during the quarter. The anticipated FDA clearance for RayCare and continued demand growth in the expanding proton therapy market in Asia represent meaningful catalysts ahead.

Our long-term thesis remains unchanged. A single quarter affected by currency and timing does not change our view of RaySearch as a structurally advantaged compounder trading at historically low multiples.

Report April 2026

SEN Nordic Equity Portfolio - Monthly Report

Top Ten Equity Holdings

Top ten holdings = 77% of portfolio

Company name	Sector	% Portfolio	Monthly Return
MilDef Group	Industrials	10,86%	36,30%
Hacksaw	Technology	9,31%	46,49%
Sweco B	Industrials	7,92%	-14,50%
Essity B	Consumer	7,67%	-5,42%
Atlas Copco B	Industrials	7,29%	3,46%
Protector Forsikring	Insurance	7,28%	-3,72%
Epiroc B	Industrials	7,16%	17,63%
Svedbergs Group B	Consumer	6,86%	-17,74%
RugVista Group	Consumer	6,53%	-23,11%
Adtraction	Technology	5,96%	15,85%

Gainers and Losers

Five Largest Portfolio% Gainers

Company name	% Portfolio	Monthly Gain
Hacksaw	9,31%	46,49%
MilDef Group	10,86%	36,30%
Epiroc B	7,16%	17,63%
Adtraction	5,96%	15,85%
Intea Fastigheter B	**5,78%**	**12,69%**

Five Largest Portfolio% Losers

Company name	% Portfolio	Monthly Loss
RugVista Group	6,53%	23,11%
Svedbergs Group B	6,86%	17,74%
Sweco B	7,92%	14,50%
SEB A	5,68%	7,81%
Essity B	7,67%	5,42%

Total Portfolio Statisics

Return & Risk	Portfolio	Benchmark-OMX PI
Last Month	5,27%	1,5%
Year To Date	6,93%	1,77%
Last 12 Months	6,93%	1,77%
Since Inception	6,93%	N/A
Average Yearly Return	N/A	N/A
Volatility (12m)	N/A	N/A
Sharpe Ration	N/A	N/A

Allocation	Weight %
Equity	98%
Cash	2%

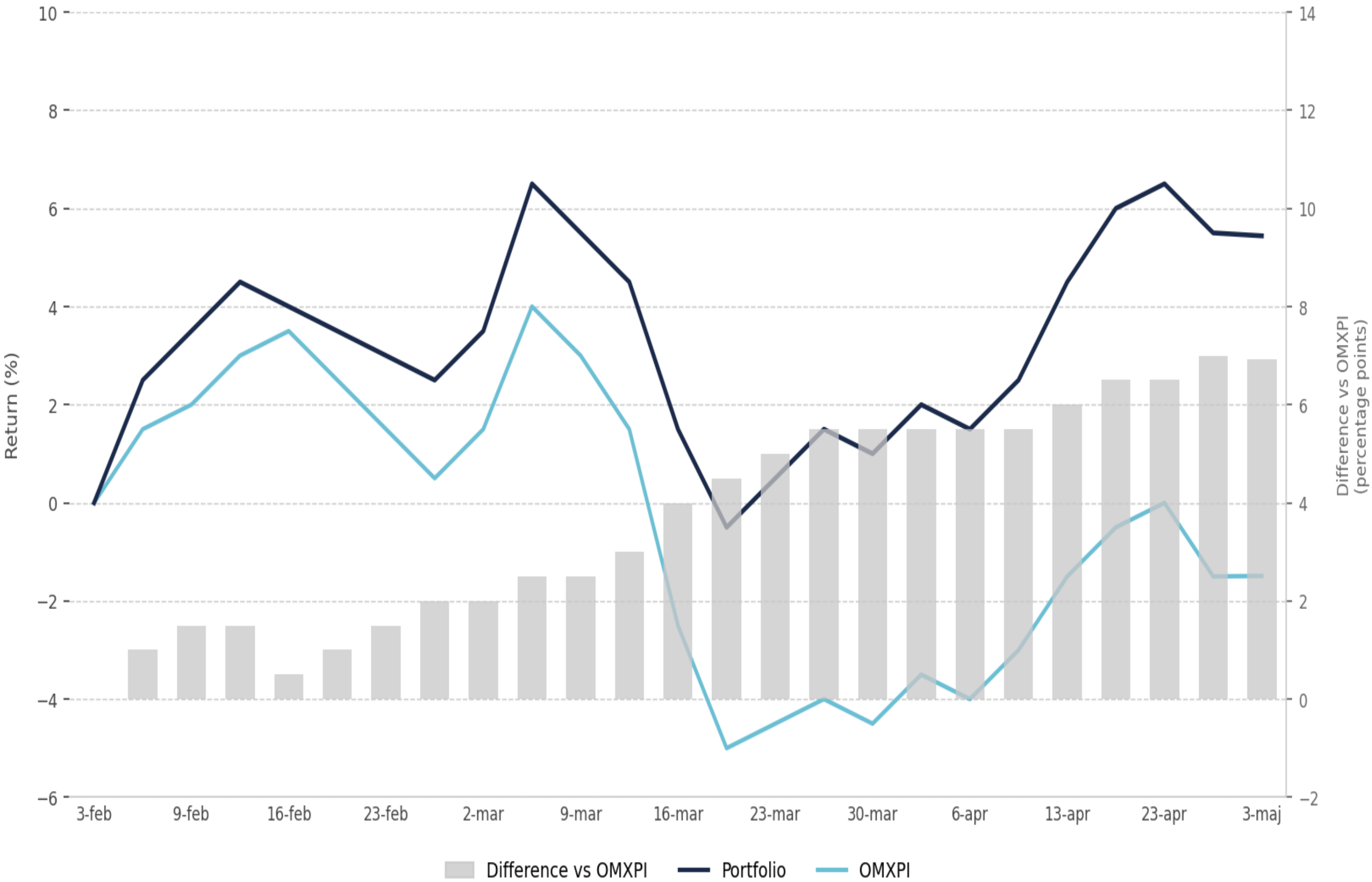
Currency Exposure	Weight %
SEK	93%
EUR	0%
NOK	0,07

Equity Portfolio Statistics

Sector	Weight %
Industrials	39,15%
Technology	15,27%
Consumer	13,39%
Real Estate	11,56%
Consumer Staples	7,67%
Insurance	7,28%
Financials	0,06

Country	Weight %
Sweden	93%
Norway	7%
Denmark	0%
Finland	0%

Portfolio Performance



Sincerely,

SEN Asset Management

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