SEN Asset Management

INVESTMENT LETTER

Monthly letter

May

Independent Investment Firm

Long-Term Perspective – Fundamental Analysis – Disciplined Capital Allocation

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

This report summarizes key portfolio developments, market conditions, and strategic positioning during May 2026. Following a strong recovery from the April lows, markets entered May with renewed momentum. The Q1 reporting season provided meaningful fundamental clarity across the portfolio, while geopolitical and trade-related uncertainty remained a relevant backdrop throughout the month.

EXECUTIVE SUMMARY & PORTFOLIO PERFORMANCE

May was the strongest month of the year so far for the SEN portfolio. The portfolio returned +8.04%, clearly outperforming the OMXSPI benchmark, which rose +2.92%. Since launch, the portfolio has returned +15.53%, compared with +6.75% for OMXSPI.

Performance was broad-based, driven mainly by industrial and defense stocks, with additional contributions from technology and real estate. Strong market sentiment and solid Q1 results supported our investment approach.

MilDef Group and Hacksaw were the best performers in May. Both have now gained more than 45% since we invested, confirming our long-term view on their growth potential. On the negative side, RugVista, Sweco, and SEB weighed on returns, although we still believe in their long-term outlook.

MARKET ENVIRONMENT & KEY THEMES

MACRO BACKDROP

May marked a clear improvement in market sentiment after the volatility in April. Markets recovered strongly, supported by lower geopolitical tension and better investor confidence.

Inflation continued to fall, which increased expectations of lower interest rates in both Europe and the US. This improved risk appetite, especially for cyclical and growth stocks. The Swedish stock market (OMXSPI) rose about 2.9% during the month, and global markets also performed well.

The Swedish krona strengthened slightly against the euro and dollar. This created a small negative currency effect for companies with international exposure, but most of our portfolio is focused on the Nordic market, so the impact was limited.

THE TARIFF OVERHANG & GEOPOLITICAL UPDATE

Trade tensions, which were a major topic in March and April, became less intense in May. The market started to expect negotiated solutions instead of escalation.

Our portfolio has limited direct exposure to global tariffs. Companies like **MilDef**, **RaySearch**, and **Intea Fastigheter**mainly operate in domestic or European markets, which makes them less affected.

We still monitor indirect effects such as input costs and sentiment in export-heavy industries like **Atlas Copco** and **Epiroc**.

Q1 REPORTING SEASON IN FOCUS

The Q1 2026 earnings season was the most important event in May. Overall results were solid, with several companies beating expectations in both growth and profitability. A few companies were weaker due to timing effects or currency headwinds, but nothing changed our long-term view.

COMPANY COMMENTS

MilDef Group – +46.42% total return

Analysis by Carl-Fredrik Ekström
Head of Research

MilDef was the best contributor in May. The share price rose strongly after the record Q1 report in late April. Key figures included order intake up 169% year-on-year, more than doubled sales, and record free cash flow of SEK 159 million.

The annual general meeting was held in Helsingborg on May 21. The defense sector remains strong, and investor interest is high. Analyst expectations are also positive, although short interest is still elevated, which could support further upside if earnings continue to improve.

The company is expanding its facility in Helsingborg, and the integration of German acquisition roda is progressing well. This supports long-term growth potential. We remain positive on the stock.

Hacksaw – +45.97% total return

Analysis by Carl-Fredrik Ekström
Head of Research

Hacksaw was the second-best performer. The stock recovered after falling sharply due to the CEO change on April 30. The market reaction was too negative in our view. The underlying business has not changed.

Q1 results were strong: revenue of EUR 57.6 million (+28%), with very high margins (82% EBIT margin) and net profit up 51%. The company also signed many new deals and expanded in the US market.

A rights issue was completed in May to support investments in new gaming ventures. The core business remains highly profitable and scalable. We still see strong long-term potential.

RaySearch Laboratories – +18.70% total return

Analysis by Carl-Fredrik Ekström
Head of Research

RaySearch recovered in May after the negative reaction to its Q1 report, where the decline was mainly driven by timing effects and currency headwinds rather than any weakening in the underlying business. During the month, a previously delayed order from China was confirmed, which is expected to support revenue in Q2. The company also secured a significant order from P-Cure in Shanghai, marking an important milestone for the rollout of RayCare in China. In addition, short interest has decreased, which has reduced technical selling pressure on the stock. Overall sentiment among analysts has improved again, and the company continues to guide for margins of at least 25% for the full year. We remain strongly positive on RaySearch, supported by its long-term growth drivers in oncology software.

Epiroc B – +21.86% total return

Analysis by Carl-Fredrik Ekström
Head of Research

Epiroc performed well in May, supported by strong demand in the mining sector and improving market sentiment. Demand for key commodities such as copper and lithium remains solid, which continues to support the company's order intake. Despite ongoing currency headwinds, Epiroc has maintained stable operating margins in the range of 19–20%, highlighting the quality and resilience of the business model. We continue to view Epiroc as a high-quality industrial company with steady long-term growth prospects and remain positive on the stock.

PORTFOLIO STRATEGY & POSITIONING

The portfolio has now clearly outperformed the benchmark since launch (+15.53% vs +6.75% OMXSPI). This shows the strength of a focused, fundamental investment strategy.

We are currently looking for new opportunities. Our focus is on companies with:

- Strong long-term growth drivers
- Healthy balance sheets
- Skilled management teams

Key themes in the portfolio:

- Defense technology: strong demand supports MilDef
- Oncology software: RaySearch has long-term catalysts
- Industrial companies: Epiroc and Atlas Copco benefit from structural demand
- Real estate: Intea is positioned for recovery
- Consumer stocks: RugVista and Svedbergs face short-term pressure but long-term potential

OUTLOOK

We enter June in a strong position, both in terms of absolute returns and relative performance versus the benchmark. The Q1 results have reinforced our confidence in the underlying fundamentals of our holdings, while overall market conditions remain supportive, driven by improving investor sentiment and a gradually more accommodative monetary policy environment. Although geopolitical tensions and trade policy risks have not fully disappeared, the broader backdrop continues to be favorable for high-quality equities. We therefore remain disciplined in our approach, with a continued focus on long-term value creation through fundamental analysis.

Report May 2026

SEN Nordic Equity Portfolio - Monthly Report

Top Ten Equity Holdings

Top ten holdings = 100% of portfolio

Company name	Sector	% Portfolio	Monthly Return
MilDef Group	Industrials	9.33%	+46.42%
Hacksaw	Technology	8.48%	+45.97%
Svedbergs Group B	Industrials	11.55%	+6.98%
RugVista Group	Consumer	9.56%	−12.94%
Sweco B	Industrials	11.28%	−6.04%
Protector Forsikring	Insurance	7.64%	−5.24%
Epiroc B	Industrials	7.91%	+21.86%
RaySearch Labs B	Healthcare	7.34%	+18.70%
Intea Fastigheter B	Real Estate	6.52%	+19.27%
Adtraction	Technology	6.28%	+14.33%
Atlas Copco B	**Industrials**	**7.88%**	**+4.90%**
SEB A	**Industrials**	**6.19%**	**−5.90%**

Gainers and Losers

Five Largest Portfolio% Gainers

Company name	% Portfolio	Monthly Gain
MilDef Group	9.33%	46.42%
Hacksaw	8.48%	45.97%
Epiroc B	7.91%	21.86%
Intea Fastigheter B	6.52%	19.27%
RaySearch Labs B	7.34%	18.70%

Five Largest Portfolio% Losers

Company name	% Portfolio	Monthly Loss
RugVista Group	9.56%	−12.94%
Sweco B	11.28%	−6.04%
SEB A	6.19%	−5.90%
Protector Forsikring	7.64%	−5.24%
Atlas Copco B	7.88%	−4.90%

Total Portfolio Statistics

Return & Risk	Portfolio	Benchmark-OMX PI
Last Month	**8.04%**	**2,92%**
Year To Date	15.53%	6,75%
Last 12 Months	15.53%	6,75%
Since Inception	15.53%	N/A
Average Yearly Return	N/A	N/A
Volatility (12m)	N/A	N/A
Sharpe Ratio	N/A	N/A

Allocation	Weight %
Equity	98%
Cash	2%

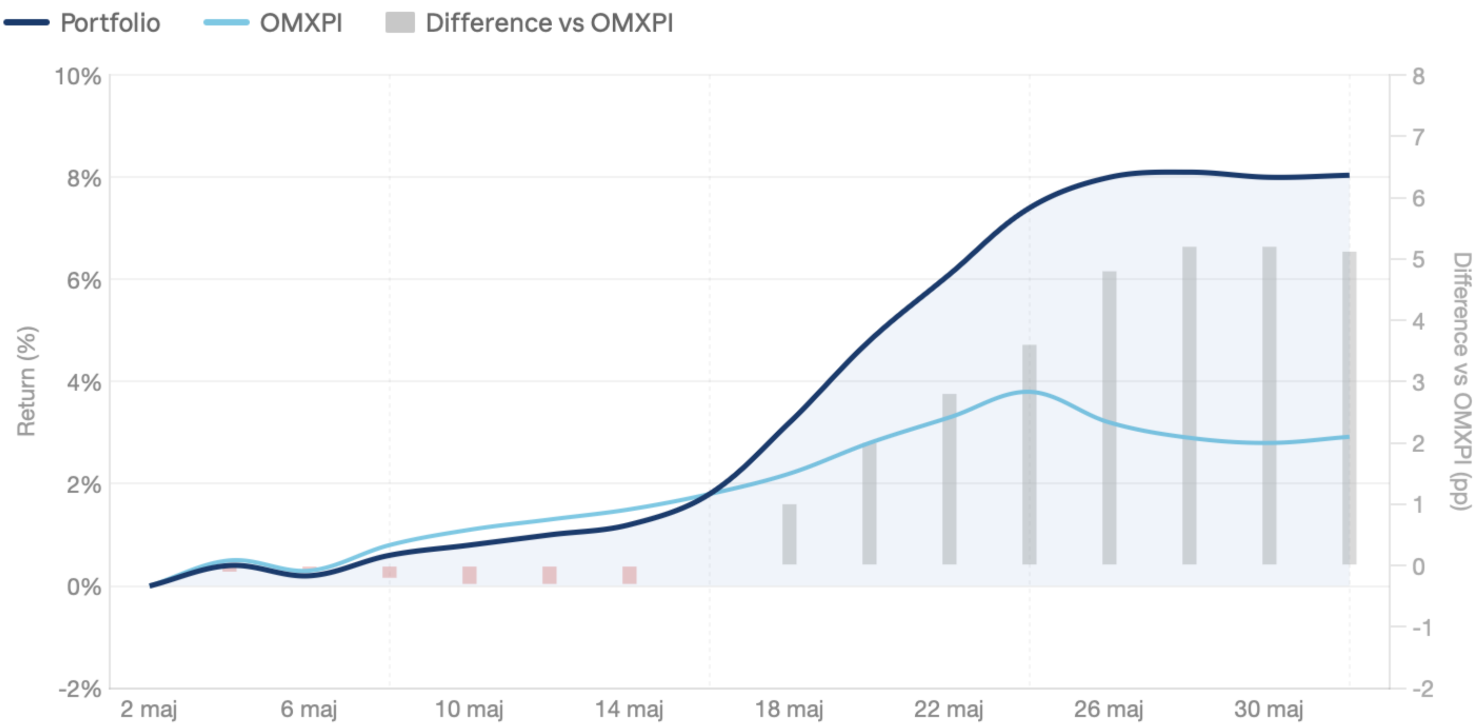
Currency Exposure	Weight %
SEK	93%
EUR	2%
NOK	5%

Equity Portfolio Statistics

Sector	Weight %
Industrials	38.04%
Technology	14.76%
Consumer	9.56%
Real Estate	6.52%
Consumer Staples	—
Insurance	7.64%
Financials	6.19%
Healthcare	7.34%

Country	Weight %
Sweden	93%
Norway	5%
Denmark	0%
Finland	0%

Portfolio Performance



Last month	3 months	Year to date	Since inception	OMXSPI (1m)
+8.04%	+8.38%	+15.53%	+15.53%	+2.92%

Sincerely,

SEN Asset Management

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