

PORTFOLIO REPORT

EQUITY PERFORMANCE

HCM
HANDELS CAPITAL MANAGEMENT

Mars 2026

CEO Comments

In Mars, our portfolio returned -2.6% compared to -4.2% for our benchmark. The equity portfolio returned -4.41% while the benchmark delivered -7.5%.

Top contributors included **Netcompany**, **Ambea** and **CAG**. While **Essity**, **Electrolux Professional** and **Exsitec** were the primary detractors.

Operations

March was an active month for us. After returning from Stockholm early in the month, we found ourselves with a full pipeline of cases to work through, some new, some familiar and a few that had been on our radar for quite some time.

One of those ideas was **BioGaia**.

We had followed the company for some time, but in mars it earned its place in the portfolio. In short, the thesis is relatively straightforward. BioGaia is coming out of a period of elevated opex, driven by investments in building out DTM capabilities and refining its commercial infrastructure. That phase now appears to be moving in the right direction, with early signs of it beginning to pay off. The company has, in our view, improved its marketing playbook, reallocating spend towards channels with higher measurable returns and away from broader, less efficient initiatives. The implication is simple: better unit economics on marketing spend and ultimately more growth per invested krona.

Outside of portfolio work, we attended a case night hosted by **EY-Parthenon** at their office at Park49. Over the course of the evening, we had the chance to meet several representatives from the firm, including four alumni from HCM. After the formal sessions, the evening continued with dinner at Bellora.

We continue to focus on building a portfolio of companies where the relationship between price and underlying value is sufficiently asymmetric.

Sincerely,
Isac Svensson

Asset Manager's Comments

Dear Readers,

On the morning of February 28th, the United States and Israel launched coordinated airstrikes on Iran which caused the Strait of Hormuz, through which roughly 20% of the world's seaborne oil had flowed, to shut. By month-end, Brent had surged over 60%, OMXS30 was down -9%, and the IEA called it the largest supply disruption in the history of the global oil market. As you may understand, March was not an easy month.

The portfolio returned -2.60% in March compared to the benchmark's -4.20%, bringing YTD performance to -4.27% versus -0.30%. The equity portfolio returned -4.41% against its benchmark's -7.50%. While negative performance is never satisfying, our stock picking showed resilience in a month where small caps bore a disproportionate share of the pain. Netcompany (+24.1%), Ambea (+2.0%) and CAG Group (+0.9%) contributed positively, while Essity (-15.5%), Electrolux Professional (-15.2%) and Exsitec (-11.3%) detracted. Outside of equities, the alternative investments, corporate bonds, global bonds and money market continued to provide stability, beating their respective benchmarks.

During the month we exited our position in Fractal Gaming. The investment case had deteriorated over several quarters with margins continuing to compress, continued currency headwinds and no credible timeline for normalization from management. At roughly 1% of the portfolio and absent near-term catalysts, we asked ourselves, "if we didn't own it, would we buy it today?". The answer was no.

On the more positive side, we initiated a position in Vertiseit, a Swedish digital signage company operating through its In-store experience management platform. Vertiseit has grown its ARR at a CAGR of roughly 50% since 2012, has a clear path to further margin expansion as the revenue mix shifts toward higher-margin SaaS, management has meaningful skin in the game and leverage is declining rapidly following the Visual Art acquisition. At the same time, the company has come down with the broad SaaS selloff and trades at 10x EV/EBITA on 2027e, which we view as a very attractive entry point for a company with limited disruption risk and a long runway of compounding ahead.

Months like March are uncomfortable, and quite frankly we don't know what will happen in the coming months. The Dallas Federal Reserve published a model estimating that a single-quarter closure of the Strait of Hormuz would shave nearly three percentage points off global GDP growth. At the time of writing, a fragile ceasefire is in place and a trickle of vessels are transiting with Iranian permission, but traffic remains below 10% of normal levels and hundreds of ships remain stranded in the Gulf. The market is pricing in a resolution within weeks rather than months. We hope they are right.

Amid all the chaos, our strategy has not changed. We remain focused on picking up good companies at attractive prices, companies that have navigated chaos before and will do so again. We have done it since 2011, and that is what we intend to keep doing.

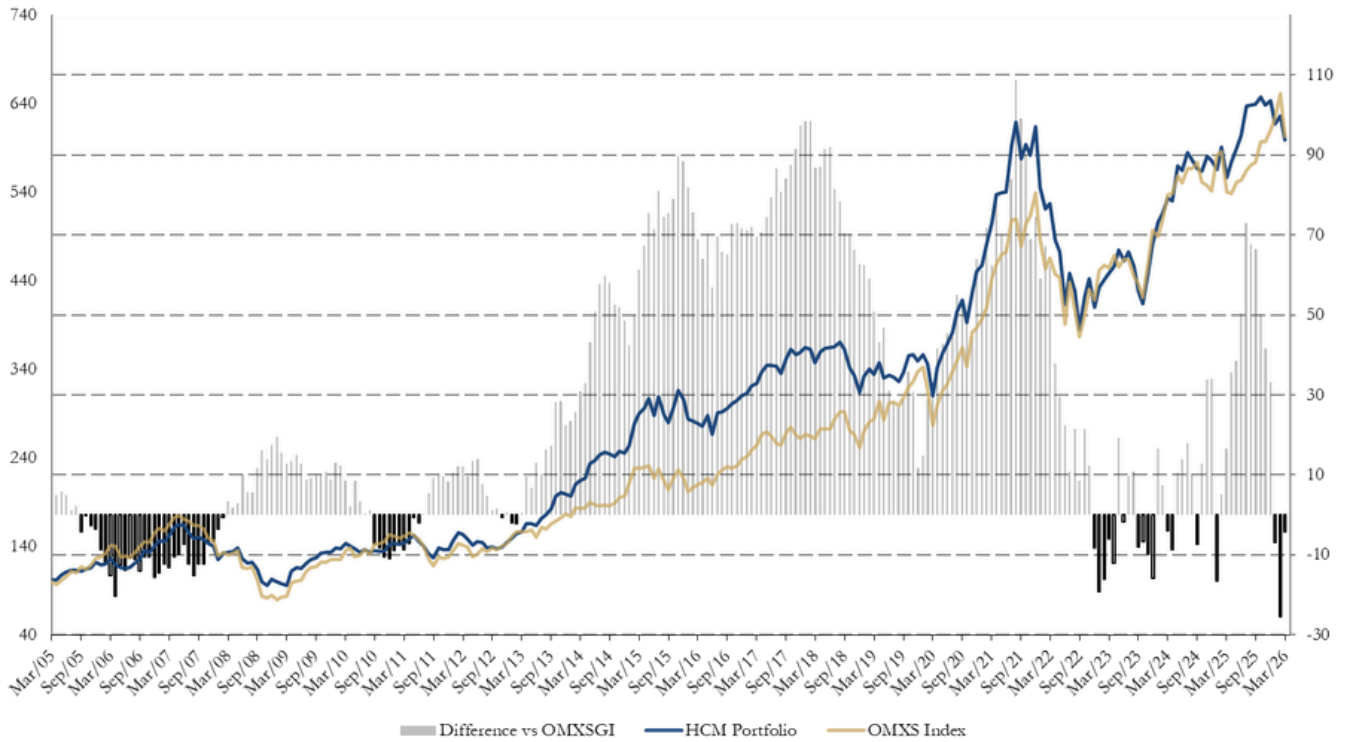
Sincerely,
William Balksten

Top Ten Equity Holdings			Gainers and Losers		
Company Name	% Portfolio	Value	Five Largest Portfolio % Gainers	% Portfolio	% Gain
Top ten holdings	58,7%	4 661 379	Microsoft	5,3%	1784,6%
Investor ABA	12,9%	1 026 761	MedCap	5,1%	354,5%
Loomis	6,3%	498 853	Ambea	5,5%	144,0%
Ambea	5,5%	434 928	Investor ABA	12,9%	93,1%
Coor	5,5%	434 587	Loomis	6,3%	58,6%
Microsoft	5,3%	424 120			
MedCap	5,1%	404 388	Five Largest Portfolio % Losers	% Portfolio	% Loss
Securitas	4,6%	369 252	Swedencare	2,0%	-41,2%
Netcompany	4,6%	369 090	CTT	1,9%	-35,2%
Asmodee Group	4,6%	367 192	Careium	2,4%	-31,7%
Kalmar	4,2%	332 208	Exsitec	3,3%	-22,2%
			Catella	3,1%	-20,0%

Total Portfolio Statistics				
Return & Risk	Portfolio	Benchmark	Allocation	Weight
Last Month	-2,60%	-4,20%	Alternative Investments	21,4%
Year To Date	-4,27%	-0,30%	Corporate Bonds	9,3%
Last Twelve Months	3,57%	6,93%	Global Bonds	11,3%
Since Start (Nov 11)	110,03%	146,87%	Money Market	8,5%
Average Yearly Return	5,31%	6,51%	Equities	49,5%
			Currency Exposure	Weight
Months Active	172	172	SEK	79,3%
Number of Positive Months	115	119	USD	2,6%
Number of Negative Months	57	53	EUR	4,5%
Annualized Std. Dev. Last 12m	5,99%	8,54%	NOK	0,0%
Sharpe Ratio Last 12m	0,29	0,60	DKK	0,0%
Benchmark Correlation Last 12m	0,00	0,00		

Equity Portfolio Statistics				
Return & Risk	Portfolio	Benchmark	Best Performers	1 Month
Last Month	-4,41%	-7,50%	Netcompany	24,1%
Year To Date	-6,99%	-1,24%	Ambea	2,0%
Last Twelve Months	7,53%	11,62%	CAG	0,9%
Since Start (March 2005)	498,75%	502,94%	Worst Performers	1 Month
Average Yearly Return	8,86%	8,90%	Essity	-15,5%
			Electrolux Professional	-15,2%
Months Active	253	253	Exsitec	-11,3%
Number of Positive Months	150	160	Currency Exposure	Weight
Number of Negative Months	103	93	SEK	63,4%
Annualized Std. Dev. Last 12m	11,39%	13,21%	USD	5,3%
Sharpe Ratio Last 12m	0,50	0,74	EUR	0,0%
Benchmark Correlation Last 12m	0,66	0,00	NOK	0,0%
			DKK	0,0%

Equity Performance



Portfolio Performance

