

Investment Philosophy

REQ Capital believes value creation drives shareholder performance. We invest in companies that can reinvest capital at high returns over time. These compounders are expected to generate strong cash flows and profitable growth. The companies we invest in typically grow consistently through small bolt-on acquisitions in addition to underlying organic growth.

We invest in management teams that are outstanding capital allocators. We place large emphasis on good corporate governance, as we believe that companies with good corporate governance are also best positioned to follow best practices on social and environmental factors. The cornerstone of our investment philosophy incorporates capital allocation, decentralization and people. We believe that finding outstanding capital allocators who decentralize their business and act like true owners, is essential to achieving exceptional long-term returns as investors.

Portfolio commentary June

In June, our portfolio companies announced 13 acquisitions, compared to 18 acquisitions for the same month in 2023. The total number of acquisitions year to stade stands at 68, compared to 75 in 2023. One noticeable acquisition during the month was Addtech's acquisition of CGV, a leading supplier of machines for lumber handling with around SEK 150-200m in sales. CGV is a company that has grown its sales 10x over the last 20 years. Another noticeable acquisition was Green Landscaping's acquisition of A Markussen in Norway, a company founded in 1978 within garden services and infrastructure & outdoor maintenance that has grown sales from NOK 20m to NOK 140m over the last 20 years.

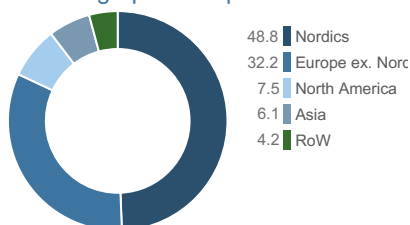
We have in June also added a new position to the portfolio; Idun Industrier. Idun Industrier is a Swedish acquisition-driven compounder with SEK 2.1bn in sales and EBITA margin of 14%. Idun was founded in 2013 and listed in 2021. We believe that Idun has a highly qualitative and capable management team with high skin in the game (>50% of shares and >80% of votes held by insiders) that has delivered an FCF per share growth of >30% since 2015. Since its foundation, Idun has had zero turnover in the management team, and we assess them to have a high-quality portfolio of Swedish companies.

Performance contribution to fund performance since launch*

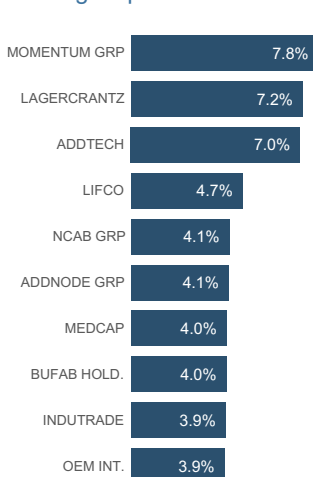
TOP 5		BOTTOM 5	
MOMENTUM GRP	8.3%	HMS NETWORK.	0.8%
ADDTECH	5.1%	BEIJER REF	0.5%
LAGERCRANTZ	4.7%	XANO INDUST.	(0.6%)
ADDNODE GRP	2.7%	INSTALCO	(2.0%)
NCAB GRP	2.6%	NIBE INDST.	(2.4%)

* 25th January 2022

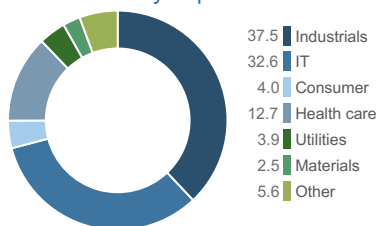
Geographical exposure*



Largest positions



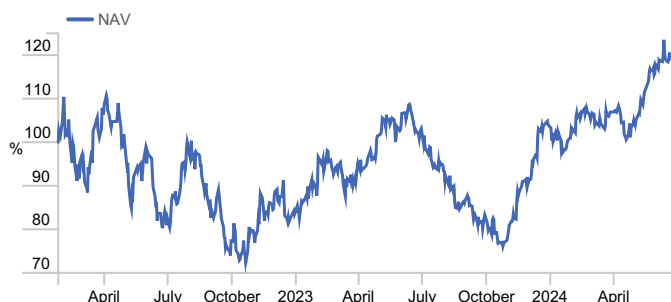
Industry exposure*



Internal calculations

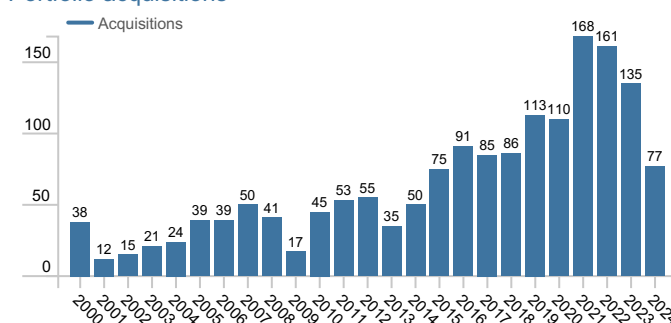
TOTAL RETURN	MTD	YTD	1 YEAR	INCEPTION
REQ Nordic Compounders	(0.4%)	12.9%	13.9%	17.5%

Fund Performance



Returns REQ Nordic Compounders A-class (since launch) - NAV EUR

Portfolio acquisitions



Portfolio acquisitions inception to date

DATE	BUYER	PRIVATE COMPANY	COUNTRY
03-Jun-24	Beijer Alma	Clemco AS	Norway
03-Jun-24	Addtech	Nouva Elettromeccanica Sud	Italy
03-Jun-24	Vitec	Bidtheatre	Sweden
05-Jun-24	Atlas Copco	Baraghini Compressori Srl	Italy
10-Jun-24	Momentum Group	Minrox AB	Sweden
11-Jun-24	Addtech	C Gunnarsson Verkstad (CGV)	Sweden
14-Jun-24	Atlas Copco	AE Industrial Ltd	UK
19-Jun-24	Indutrade	West Technology Systems	UK
19-Jun-24	Beijer Ref	Cool4U	Hungary
20-Jun-24	Green Landscaping A. Markussen AS		Norway
24-Jun-24	Lifco	Pro-Dental Aps	Denmark
25-Jun-24	Addnode	Addoceo	Sweden
27-Jun-24	Lifco	Eurosteel	Netherlands

Fund information

Fund structure: Irish UCITS ICAV Nordic long only
Fund manager: Adnan Hadziefendic, Oddbjørn Dybvad, Kjetil Nyland
Currencies: NOK, SEK, EUR, USD
Launch date: 25th of January 2022
Fund classes: Institutional (I) (0,6%) & High Net Worth (A) (1,0%) and Performance (P) (0,5% + 15% above 8% annually)
NAV: Daily pricing at noon
Bloomberg: See fund information
ESG classification: Article 8
Fund administrator and depository: RBC (Royal Bank of Canada)
Auditor: Grant Thornton (Ire) and KPMG (Norway)
Regulators: Central Bank of Ireland (CBI) and Norwegian Financial Authority
Contact info: REQ Capital AS, Rådhusgata 27, 0158 Oslo, Norway. post@req.no
Factsheets by Falk, falkglobal.no
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