PROTEAN™

OCTOBER 2026 • PARTNER LETTER

Dear Partners,

Protean Small Cap rose 2.7% in October, outperforming its benchmark index by 2.9%. Since launching in June 2023, the fund has gained 91.6%. The Carnegie Nordic Small Cap Index is up 37.0% in the same period.

The hedge fund **Protean Select** returned 0.8% in October. The fund is closed for additional subscriptions.

Protean Aktiesparfond Norden rose 2.5% during the month. The benchmark index was up by 0.8%. Since inception, in April 2025, the fund is up 40.7% and in the same period the VINX Nordic Cap index is up 27.0%. The fund now manages 2.5bn SEK.

Protean Aktiesparfond Global rose 4.1% during the month. The benchmark index was down by 2.5%. Since inception, on the 15th of September 2026, the fund is up 3.5% and in the same period MSCI World Net Return SEK is up 0.1%. The fund now manages 455m SEK.

All figures are net of fees.

This month's letter elaborates on AI-generated communication. Plus, as always, commentary on the month's various winners and losers.

Thank you for being an investor!

The ick of AI-generated communication

OCTOBER 2026 • WRITTEN BY PONTUS DACKMO

Over the past few months more of what fills our inboxes, from the dozen or so banks and brokers we do business with, has gotten a tinge of – let's call it – "AI-assistance".

There is something distinctly bereft of human touch in AI-generated texts. It's annoyingly flawless, built with standard rhetorical figures of three and contrasts for effect. It's certainly not (anymore, like in the early days of last year) that the texts lack quality – it's rather that they lack human quality; the unexpected twists, the innovative use of words, the odd mistake.

Thinking about it, my biggest ick is that something that used to be costly to produce (analytical text) is now being generated – spotlessly – with the push of a button. A text that historically required an analyst to spend hours upon hours on a subject, thinking about implications, pros and cons, details that when put together suggested a new conclusion, now requires more work from me – the recipient – than the sender.

Bottom line is I think for traditional sell-side analysts to work with AI-generated research is a way to speed up their own irrelevance. If you have a model that generates text and send it to clients, odds are our own internal models will generate at least the same level of summaries and conclusions. Why listen to your model? Why pay for what your model generates?

In addition, when your wordy AI-generated note hits us, we'll probably just chuck it in our own in-house chatty to summarise it. With conference call transcripts and yearly/quarterly reports already a staple of any AI-model,

what comes out the other end when everybody has the same inputs risks being the same thing.

And that, frankly, worries me more than the ick. Markets work because people disagree – about the numbers, the business, the multiple, the management, the timing. If a handful of models read the same p&l's and transcripts, with roughly the same prompts, you don't get a thousand opinions. You get the same opinion in a thousand slightly different blabbering notes. For a contrarian that isn't necessarily bad news; crowded consensus is where mispricing lives and breeds. But it does mean the edge in a well-written note has gone from small to roundabout zilch.

It also changes the other side of the table. Or third leg of the stool if you will. There is academic work – "How to Talk When a Machine Is Listening" is the rather perfect title – showing that companies adjusted the language in their filings once they realised algorithms had become the main readers, avoiding the words the sentiment models punish. Sit through enough Q3 2026 calls and you start to suspect some CFOs are now speaking directly to our models rather than to us. Which makes the transcript – the one input everybody shares – a little less informative every quarter.

Full disclosure, since it would be odd to write this paragraph without it: we use these tools too. A lot. They read faster than we do, build a decent first draft of a model, and are annoyingly good at finding patterns and details. They can also find illogical conclusions and when you're flat out wrong – hence why parts of this letter certainly have been through one.

Which is probably why, as text gets cheaper, we've ended up spending more time on what can't be scraped. This autumn that meant walking the floor at AAK in Port Newark, standing in a precious metals vault with Loomis in Hempstead, taking a tour in a robot taxi in Shanghai.

So, to our friends on the sell-side: we'd happily take fewer notes. Just make them human.

Protean Small Cap

OCTOBER 2026 • WRITTEN BY CARL GUSTAFSSON

Protean Small Cap increased 2.7% in October. Our benchmark, CSRXN (SEK), lost 0.2% during the month, meaning we outperformed by 2.9 percentage points. So far this year, the fund has gained 14.2%, outperforming the index, which has gained 9.0%.

Top contributors for October were **Vimian**, **Afry, BTS, Bulten** and **Scandic Hotels.**

Vimian has become one of our top contributors for the year, gaining almost 60 per cent since we added it to the portfolio in February. Again, in Q3, just as in Q2, it delivered a 'no news is good news' type of report, with the uneventfulness helping to reduce the risk premia attached to the share. Vimian trades at a modest multiple relative to its benign exposure (pets), its scale (four verticals, many geographies) and its resources for M&A (a lot of experience in executing it, a decent balance sheet, a majority owner with deep pockets).

Afry is a pan-Nordic consultancy that has been struggling with its organic growth for a prolonged period, and while Q3 was no inflexion point in this regard, a continued strengthening of the order backlog and management commentary about sharply increasing net recruitment going forward helped to create a relief rally in the share.

BTS announced a USD13m AI implementation contract, reinforcing the view that this is not an AI loser, rather the contrary. The share was also helped by an acquisition announced during the month. **Bulten** maintained its strong share price momentum since they announced the strategic reorientation of its business this summer, also helped by a Q3 rebound in earnings due to the problems at their key customer JLR last year.

Top detractors were **Acast**, **Bonava, Swedencare** and **ITAB Shop Concept.** **Acast** is slightly puzzling to us, as we are big fans of this Swedish podcast ad company that is rapidly growing in North America where they posted 41 per cent organic growth. The model is scalable, as a best-in-class tech stack with programmatic ads is being amplified by an increased focus on

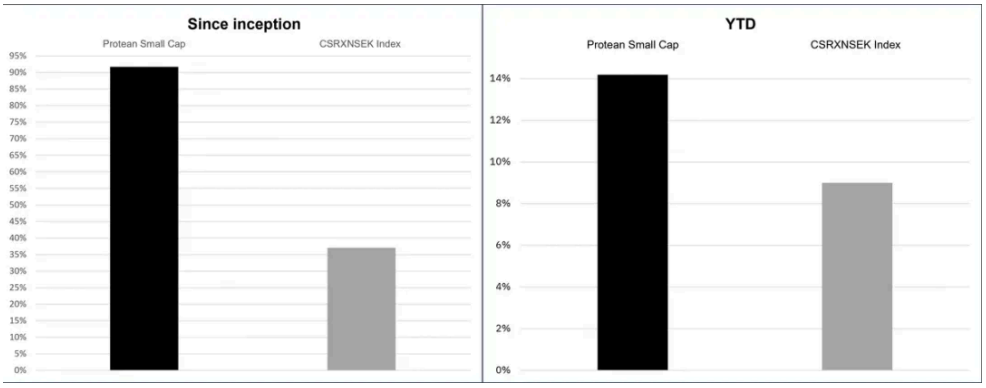
relationship building with large ad buyers. **Bonava** continued to struggle in the face of elevated interest rates and a turn for the worse in the important German market, and improvements in Sweden failed to offset this as management reduced their guidance for the full year.

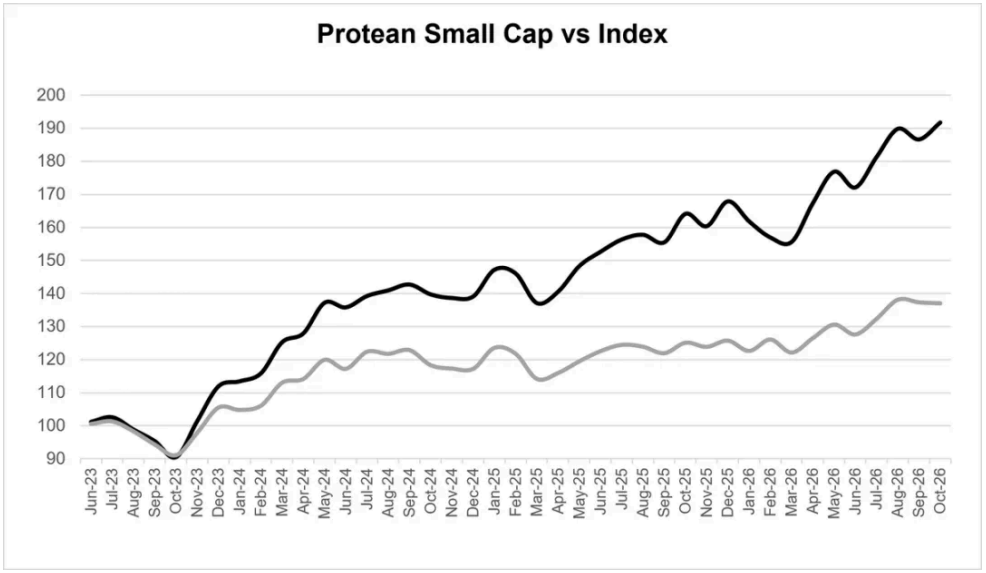
We have added **Ratos** to the portfolio. This is a Swedish conglomerate with a meagre 10Y performance with the share only gaining eleven per cent during this period, and hence, it has failed to qualify to wear the trendy 'compounder' moniker. However, things appear to be starting to work in Ratos' favour. Operational performance has been strong for the key assets within Ratos this year, with Diab, HL Display and Presis Infra all posting double-digit EBITA growth. The implicit valuation of these assets is low within Ratos but last year's IPO of Sentia, a Norwegian construction company that Ratos had owned for many years, shows that the market might be putting too low a value on the assets within the company. The Sentia IPO price was set at NOK50, and today, 15 months later, it trades at NOK83 without surprising operationally since becoming listed. We wouldn't rule out further IPOs by Ratos following this success.

The fund now manages c.1,330m SEK. Thank you for your trust.

Our top ten positions as we enter November are as follows:

Rank	Company	Share of NAV (%)
1	Indutrade AB	4.11
2	BTS Group AB	3.97
3	Vimian Group AB	3.95
4	Acast AB	3.66
5	Bavarian Nordic A/S	3.45
6	Nibe Industrier AB	3.26
7	Storskogen Group AB	3.04
8	Sdiptech B	3.00
9	ITAB Group AB	2.84
10	Lindex Group Oyj	2.64


Since inception
Protean Small Cap
CSRXNSEK Index
95%
90%
85%
80%
75%
70%
65%
60%
55%
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
YTD
Protean Small Cap
CSRXNSEK Index
14%
12%
10%
8%
6%
4%
2%
0%


Protean Small Cap vs Index
200
190
180
170
160
150
140
130
120
110
100
90
Jun-23
Jul-23
Aug-23
Sep-23
Oct-23
Nov-23
Dec-23
Jan-24
Feb-24
Mar-24
Apr-24
May-24
Jun-24
Jul-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25
Feb-25
Mar-25
Apr-25
May-25
Jun-25
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Jul-26
Aug-26
Sep-26
Oct-26

Protean Select

OCTOBER 2026 • WRITTEN BY PONTUS DACKMO

Protean Select returned 0.8% in October. The beta-adjusted net exposure of the fund was 34% on average. During the big market dip during the month we monetized half our index-level put-spread, for a reasonable gain.

Biggest contributors were Yubico (again), BTS Group, Mowi and Bavarian Nordic.

Biggest detractors were Neste, Nokia and Ericsson (short).

We enter November at 35% beta-adjusted net exposure. Gross exposure, adjusted for cash management positions, currently stands at 129%.

In line with how markets typically work it seems everyone is focusing on the AI-trade and how to spin either their portfolio or their equity story around it. Since Select is a Nordic only fund, and our region is relatively insulated (vs some very index-heavy names elsewhere) we have the luxury of taking a more balanced approach. We try to find mis-pricings in all sorts of situations, and do not necessarily need to be right or wrong about the capex vs profitability question for compute build-out. Of course, we still take bets around the theme, but we explicitly try to have a balanced approach. An example: we own some Mycronic (after having met them both in the US and in continental Europe in recent months, it was obvious to us that the GT-division was firing on all cylinders – they beat handsomely in the quarter), but we also offset the thematic risk by a short in Wärtsilä, where we see a risk of cancellations and poor profitability ahead. There are many more names in the fund where AI plays a part, but again: we try to balance the exposure. During the last few days of the month, as the AI-momentum unwound significantly, we have tweaked the portfolio so that we are now slightly net long the theme. Let's see if we get a bounce-back, or else we will continue adjusting.

Running a portfolio is much like driving a boat: you must make constant little corrections to your course, or you risk not getting to where you want to be. There are winds, currents, wake, imperfect steering, and other boats

you need to take into account. The one difference between a boat and a portfolio: a boat eventually gets to where it's going. A portfolio never does.

Some words on a few stocks

For roughly two years we have run a spread trade in the Nordic serial acquirer space: short the compounders priced as if they were bullet proof – long the ones still filed under "lower quality" despite delivering improvement quarter after quarter (e.g. Storskogen and Sdiptech).

The premium rests on one thing: organic growth, taken as proof of quality, plus a steady stream of multiple-arbitraging acquisitions. This naturally makes it worthwhile to understand where the organic growth comes from.

In its Q3 report, Lifco disclosed that a customer in contract manufacturing, around 5% of group revenue, has cut its forecasts from January 2027 and intends to move purchases outside Europe. Lifco has not named the customer. But public filings make it not very hard to guess. As recently as 2022, Lifco's Estonian contract manufacturer Leab Eesti made mainly industrial electronics for Swedish sister companies. Then revenue abruptly went from EUR 53m in 2023 to EUR 169m in 2025. Over the same period, Oura – whose US IPO prospectus lists Estonia among its production countries – became a billion-dollar smart ring company.

By our estimate, Leab Eesti alone added around 5 percentage points to Lifco's organic growth over 2024–25. Reported organic growth over the two years was about 3.7%. This means that, excluding Estonia, the decentralised compounder grew by roughly minus 1.4%. That's a different story than what the equity market is (was?) pricing.

None of this was hidden, per se. Analysts queried most quarters, and management was candid volumes were "unusual" and visibility "very low". But it was never quantified, and the multiple certainly never adjusted. The growth that helped sustain a P/E near 40 came from the exact opposite of Lifco's model: high-volume production for a single consumer electronics customer. In the CEO's own words on the Q3 call: "We are not a company that can go for super high-volume type of manufacturing." Quite.

To be fair the earnings hit is relatively small – around 3% of group EBITA. Excluding Estonia, 2026 looks ok, and the acquisition engine still adds a handful of %-points a year. Generally, shorting compounders is a mug's game, but when the expression is a spread, and the short side is priced for perfection, it makes more sense.

Storskogen and Sdiptech do not need to become Lifco and Lagercrantz for the spread to work. The latter only needs to be valued like everyone

else. Events like this help, and our construct earned us north of 0.4% combined to the fund in October.

Long yoghurt / short crisps

For three years the market has treated GLP-1 as a pharmaceutical story with a footnote for the "foods" impact. We think the footnote deserves more attention. The drugs do not so much shrink the shopping basket as rearrange it. Indulgence loses, protein wins, and the split is visible to us two steps behind the supermarket shelf, among the ingredient suppliers.

A Cornell study published in the Journal of Marketing Research matched receipt data from around 150,000 US households with their GLP-1 use. Within six months of starting treatment, grocery spending fell by 5.3%, and by more than 8% in higher-income households. Savoury snacks fell 10%, with sweets and baked goods down by similar amounts. What rose most? Yoghurt. EY-Parthenon's October survey adds scale: 21% of American adults have now tried a GLP-1, up from 8% in 2024, and for the first time most of them take it to lose weight. For investors, the point is that this is a volume effect, not a fashion. No marketing budget wins back a consumer who simply is not hungry.

We have expressed the view as a pair trade over the past months: long Novonesis, short AAK.

Since the merger with Chr. Hansen, Novonesis owns the leading global franchise in dairy cultures. Every pot of yoghurt (and cheese, and other fermented dairy products) needs one. The culture is a trivial share of the dairy's total cost but essential to the product. GLP-1 helps twice, since a) more yoghurt is eaten, and b) the growth is in high-protein, lactose-free and probiotic variants that use more culture per kilo. Food & Beverages grew 11% organically in the first half, and full-year guidance was raised.

On the other hand, we know AAK does not fry crisps. Naming it "Crisps" is just short for "indulgence", which is where AAK operates: chocolate fats, bakery and foodservice are precisely the categories the data shows shrinking fastest. The third quarter showed what that exposure looks like in a market without growth. Volumes were flat and operating profit fell 8%. Profit per kilo fell in all three business areas, to SEK 2.27 against a 2030 target above SEK 3. Competitors in chocolate fats are fighting to fill their factories after two years of falling volumes. The team's recent visit to AAK's US flagship site in Port Newark did little to lift our mood. By management's own description the market is "flat". Customers push low-margin commodity oils onto the plant, production runs are short, and the site felt generally underinvested. They talk of chasing "micro trends" to find growth but admit it's an uphill battle. Sure, AAK has launched GLP-1-

friendly products with added protein and fibre, but it does little to offset the drags elsewhere.

The spread has worked a charm recently, and we're aware there are a lot of negatives in AAK's share price already. Let's see how long we stick around.

PROTEAN™

OCTOBER 2026 • PARTNER LETTER

Protean Aktiesparfond Norden

OCTOBER 2026 • WRITTEN BY RICHARD BRÅSE

Aktiesparfonden is a Nordic long-only fund aiming to generate above-market returns over the long term by actively investing in value-creating companies and charging a low fee. A fee that is reduced further as the fund grows, sharing the scale advantages with investors.

Aktiesparfonden has, since inception in April 2025, delivered a 40.7% return, in the same period the VINX Nordic Cap index is up 27.0%. The fund now manages 2.5bn SEK.

Protean Aktiesparfond Global

OCTOBER 2026 • WRITTEN BY OLLE QVARNSTRÖM

Aktiesparfond Global is a global long-only fund built around selection rather than index weights. The investment process starts by narrowing the global universe, before identifying good businesses at reasonable prices. The fund charges a low fee that will be reduced further as the fund grows.

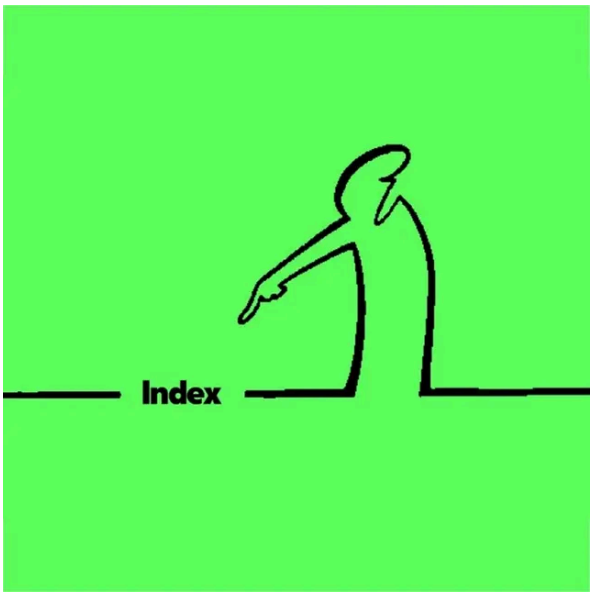
Aktiesparfond Global has, since inception in September 2026, delivered a 3.5% return, in the same period MSCI World Net Return SEK is up 0.1%. The fund now manages 455m SEK.

Our communication for Aktiesparfonderna is currently only available in Swedish. Updates on both funds can be found at www.aktiesparfonderna.se under “Anslagstavla”.

Thank you for your long-term perspective and trust in our process.

PROTEAN™

OCTOBER 2026 • PARTNER LETTER



Building in Public

How big is your fund? This month Protean passed USD 1bn in assets under management, separately managed accounts included. Let's be honest about who benefits: mostly us. A larger asset base does nothing for your return, and past a certain point it actively works against it.

The more useful question isn't how much we manage, but where. Most of the growth over the past year has come in strategies explicitly built to absorb it – Nordic and Global large cap, and our market neutral long/short institutional product (now hard closed, similar to Select) – rather than in the smaller corners of the Nordic market where a few extra hundred million could turn into a market-impact problem. Obviously, that is deliberate. It is also why the Small Cap fund has a hard cap at 4bn SEK.

There is one place where our growth is your gain. In Aktiesparfond Norden and Global the fee steps down when the funds grow past certain hurdles, so every new krona lowers the cost for everyone already in it. The first step-down is at 10bn SEK in AUM. So far performance tracks above benchmark for both funds, and we genuinely hope to be able to lower the fees in the years ahead.

The monthly reminder

We optimise for performance, not for convenience, size, or marketing.
You can withdraw money only quarterly in Select (monthly in Small Cap).
We will tell you very little about our holdings.
Our strategy is tricky to describe as we aim to be versatile.
A hedge fund can lose money even if markets are up.

We charge a performance fee if we do well.
You do not get a discount if you have a larger sum to invest.
We only have a medium-sized track record.

Aktiesparfonderna - the reminder

We aim to generate above-index returns over 3-5 years, but there are no guarantees.
The funds are traded daily, but that doesn't mean you should.
To beat the index, you need to deviate from the index. This means taking uncomfortable positions.
Be aware that the funds can underperform their respective benchmarks during periods. Sometimes, long periods.
We lower the fee as each fund grows. The first 10 basis point cut comes when the respective fund reaches 10bn SEK in AUM.

Thank you for being an investor.

Pontus Dackmo
CIO & Investment Manager
Protean Funds Scandinavia AB