

	Buckley Capital Net ¹	iShares Russell 2000 Value	iShare Russell 2000
Q2 2026	36.0%	17.1%	21.4%
2026 YTD	29.7%	22.8%	22.6%
Total Returns since Inception	1140.4%	356.3%	413.5%
Annualized Return	14.6%	8.6%	9.2%

¹The performance results herein are presented net of a 1% management fee and 20% performance fee. From January 1, 2008, through December 31, 2010, the results reflect a proprietary trading account managed by the principal of Buckley Capital. Performance from January 1, 2011, onward reflects the results of Buckley Capital Partners, L.P.

Introduction

The second quarter of 2026 was marked by strong, broad-based performance across the portfolio, with several of our largest positions contributing meaningfully to returns. As valuations and prospective returns shifted, we remained disciplined in recycling capital—trimming or exiting positions where our thesis had played out, or the risk-reward had become less attractive, and redeploying capital into businesses where we believe the market continues to underestimate normalized earnings power and intrinsic value.

In this letter, we discuss several investments that illustrate this process. We review successful seasoned positions, including Dave, Liquidia, and Basic-Fit; our decision to substantially reduce Root after reassessing the near-term industry outlook; and newer investments in Celsius and Light & Wonder, where we believe improving fundamentals, identifiable catalysts, and attractive valuations create compelling long-term opportunities.

Across the portfolio, we continue to find opportunities where the market is overly focused on near-term uncertainty while underappreciating long-term earnings power and value creation. We believe the current portfolio is among the strongest we have owned in recent years and is well positioned heading into the second half of 2026.

Dave Inc. (DAVE)

Dave has rallied over 100% from our average cost. While we believe Dave is a great business, the stock has become very expensive. It is now trading at the high end of its historical multiple range, and as such, we fully exited the position. While we continue to believe the business will do well, it will have to perform in line with our upside case for there to be meaningful returns going forward. This may be possible, but the risk-reward is not as attractive as other portfolio holdings.

Our original thesis played out very well: we believed Dave is a great business that gives the average American consumer living paycheck to paycheck access to small but meaningful amounts of short-term cash. We also felt its business model is consistent and predictable. Finally, we believe it has a great management team which knows

how to give conservative guidance and create a beat-and-raise dynamic over the course of several quarters. Yet the stock trades with irrationally large swings. When we made our original investment last October, we felt Dave was trading at far too cheap a multiple on our own internal estimates: we were at \$17.00/share for 2026 while at the time the sell side was around \$12.00. So on our estimates, we were buying Dave at 11x earnings when it was growing earnings at north of 30% per year. We predicted that sell-side expectations would have to move dramatically higher.

That is exactly what happened, and while we continued buying through February of this year, the stock has now become fairly valued and, as mentioned, is trading towards the high end of its historical range, which is why we exited the position. Maintaining sell discipline is one of the cornerstones of our process. But Dave is still a stock we would like to own at the right valuations.

Liquidia Corp (LQDA)

Liquidia continues to be the gift that keeps on giving. At our average cost, we bought LQDA at around 1.5x our estimates for 2027 earnings and ~1x 2028 earnings. We originally purchased LQDA at \$5.00/share; our average cost is around \$9.00, and today the shares trade at around \$78. We have continually adjusted our delta-adjusted position size using options as a risk management tool, but LQDA has still been our largest contributor YTD, up over 100% so far this year.

We are still waiting on Judge Andrews' decision on whether LQDA will be able to sell its Yutrepia product for PH-ILD (pulmonary hypertension associated with interstitial lung disease), a ruling that is likely to occur sometime soon. Despite the stock's appreciation, we still feel there is 50%+ upside to what an acquirer would pay for the business today. We believe Andrews will rule in LQDA's favor, and that an acquirer is likely to come in shortly after the ruling.

Root Inc. (ROOT)

We exited most of our Root position at a substantial loss. While we hope to reenter the position in the future, we underestimated how long and how deep the industry headwinds ROOT is facing will persist. Given how soft the commercial auto insurance market is currently, it will be very hard for ROOT to execute in the near term. ROOT is our one material mistake this year thus far, but we have a significant chance of making that money back eventually in the position, as we still believe the long-term story is compelling.

Basic-Fit N.V. (BFIT)

We wrote about Basic-Fit in July 2025, when the market was penalizing the company for one-time expenses relating to the conversion of its gyms in France to staffless and 24/7 operations. The stock is up ~35% so far since we wrote about it, but we believe the real benefits are yet to materialize. Specifically, the new 24/7 gyms should

see an increase in their customer base, which is critical for gyms because the incremental margins on new members are very high. Going staffless also increases margins for each gym. We should see these benefits realized over the next few months.

BFIT is pursuing similar opportunities in Spain, having extended operating hours there by four hours for 105 gyms (from 6 am- 12 am). We are also very excited by the November 2025 acquisition of Clever Fit, whose gyms are concentrated in German-speaking countries. The company negotiated with its new Clever Fit franchisees through Q1 2026 and is now in a better position to start realizing the synergies from this acquisition. While the newly acquired Clever Fit gyms will need some investment to bring them to the BFIT standard, this investment should allow them to meaningfully increase their revenue per gym. The acquisition will also allow BFIT to increase its presence over a geographic area that now includes 12 European countries. Germany is particularly exciting, as Clever Fit was the largest gym brand there and BFIT recently acquired another 40 gyms in Germany via the Wellyou acquisition in June 2026. Finally, the Clever Fit deal should improve BFIT's ROIC and cash flow margins because it increases its focus on franchising.

We believe BFIT has a very strong chance of a significant re-rating in the back half of this year. The stock is trading around 6.4x our estimate of 2026 EBITDA, with EBITDA growing very quickly over the next few years. We believe it should be trading closer to 9-10x EBITDA, and that BFIT can double over the next 12-24 months.

Celsius Holdings, Inc. (CELH)

Celsius is a new position for us. We are attracted to the relatively low cyclicalities and strong secular growth of the business. The energy drinks industry is growing at high single to low double digits, and CELH will maintain or likely grow its market share over time. Additionally, Monster Beverage, its main comp, has 31.5% EBITDA margins and is one of the best-performing stocks of the last 30 years. MNST trades at 42x 2026 estimated earnings while CELH trades at 19x. More importantly, CELH trades at closer to 12x our estimate of 2027 earnings while MNST trades at 37x.

This huge delta should converge as CELH is facing some short-term issues that we believe will clear up in the next few months. The first is the company's need to rationalize its portfolio of SKUs, which is currently in process. The Celsius brand overall has been showing negative growth, but as the SKU count rationalization completes, the remaining SKUs should grow at double digits, and this headwind will shift to a tailwind. Additionally, CELH is getting significantly more distribution over the next 6-12 months, with a 17% increase expected. The negotiations for the increased shelf space are done, but there is a delay in implementation due to hardware installs which are underway. Lastly, Red Bull is raising prices by high single digits in the next 9 months, and we believe CELH will get the chance to follow shortly afterward.

With multiple tailwinds in 2027 and easy comps, we believe consensus estimates of 8% revenue growth only give CELH credit for the price increases, and ignore the additional upside from the upcoming SKU rationalization,

the significant distribution gains, and the high growth of the company's newest brand, Alani Nu, which is currently growing 30%+ per year. Once the company gets through its current slowdown (much of which is deliberate, as CELH is slowing down innovation while it focuses on the integration of Alani Nu and Rockstar, their integration into Pepsi's distribution system, and the SKU rationalization), it plans on accelerating new launches.

Putting all these together, we think CELH can generate around \$2.25-2.50/share in EPS in 2027, and it should trade at 20-30x earnings, leading to a \$50-\$60/stock versus \$30 today. We think by 2030, CELH can do around \$4.00/share in earnings, which would lead to an \$80-\$120 stock by then. We think there is a very low probability of downside at today's levels, given that the shares are trading at such a low multiple with such strong growth potential over the next few years.

Light & Wonder, Inc. (LNW)

Light & Wonder is a leading global gaming company that develops and distributes casino content across land-based, online, and mobile channels. Its core gaming business supplies slot machines, table products, and casino management systems to operators worldwide, through both outright sales and a growing base of leased machines that generate recurring revenue from a share of daily play. The company monetizes this same game library digitally through SciPlay, its social casino mobile business, and through iGaming, which delivers real-money online casino content to operators via its platform. It also owns Grover Gaming, the leading supplier of electronic pull-tab games for charitable gaming in the US. LNW is the second-largest slot supplier globally behind Aristocrat.

LNW is undergoing a transformation rooted in a wholesale management change. Chairman Jamie Odell and Deputy Chair Toni Korsanos are the team that drove Aristocrat's decade of industry dominance, and they recruited CEO Matt Wilson (also ex-Aristocrat) to run the same playbook of investing heavily in game content and letting hit franchises compound. This team set aggressive 2025 targets in 2022 (\$1.4B in adjusted EBITDA ex-Grover) and came remarkably close to achieving them despite real setbacks, falling slightly short only because litigation forced the company to remove its hit game Dragon Train.

The team has now set 2028 targets of \$2.0B in adjusted EBITDA and >\$10.55 in EPS (we are at ~\$13.00), which we believe imply ~150%+ upside for the stock if achieved given today's depressed valuation multiple. The street doesn't believe them — consensus sits well below the targets — but we think this skepticism is irrational: this is a credible management team with a track record of achieving targets it sets. Based on our several conversations with management, we believe there is actually deliberate conservatism in the targets. Notably, management intentionally does not give a precise path to the numbers, leaving them open-ended so that if one part of the business underperforms, they can make it up elsewhere. Moreover, beyond the \$2B target sits a stack of free options that management has deliberately excluded from its guidance: US iGaming and video lottery terminal

(VLT) legalization in additional states, international iGaming expansion (the Philippines is already live, the UAE is coming), Grover legalizations in additional states, and carbon/AI-driven cost efficiency.

LNW is trading at its lowest multiple in five years — ~7.4x EBITDA vs. Aristocrat (ALL) at 14.8x, a ~7-turn gap vs. a historical average of 3-4 turns. This gap is the widest ever, despite LNW being the faster-growing business with similar EBITDA margins. The gap versus ALL is attributable to two linked items: higher leverage and lower FCF conversion. We believe that cash conversion is at an inflection point and should materially improve going forward. Cash conversion was hit over the last few years due to non-recurring items (the Dragon Train legal case, which was a headwind in 2024 and 2025 and was settled in Q1 2026; and one-time restructuring costs relating to the Grover acquisition). Ultimately, this will improve FCF conversion, reduce debt and leverage, and decrease annual cash interest, leading to further improvement in FCF conversion.

The company has accelerated its stock buyback program as well. In Q2 2026, the company spent ~\$134M to repurchase 2% of its shares outstanding. With ~\$180M left under the current buyback program, we see no reason why the company will decelerate. It will likely buy back another 2% of shares in Q3 2026. At a bare minimum, the buybacks will mean the company handily exceeds EPS estimates going forward.

The recent share price weakness stems largely from one quarter of soft market share data, which we believe the market is misreading. Quarterly ship-share in this industry is heavily skewed by the timing of launches of new cabinets (the fundamental physical hardware unit of the gaming industry). Aristocrat is currently enjoying a successful new cabinet launch, while LNW's new hardware slate is weighted to the second half of the year — so a single quarter of headline weakness says little about underlying competitive position. Australia is the clearest example. Earlier this year, the market grew worried about LNW's Australian share decline, but this too was caused by launch timing: customers simply stop buying an old cabinet when a new one is on the horizon, and LNW's share fell ahead of its refresh. The new Cosmic Dual Screen cabinet has since launched in Australia, and based on our conversations with the team, it has been a success — we expect Australian share to normalize as it rolls out. The same setup now applies to the US, where LNW's second-half slate — the Cosmic Sky and Landmark 7000 premium cabinets, new for-sale hardware, and a deep pipeline of franchise content — is just beginning to hit casino floors. As these launches roll out, we expect the market share data to inflect, and the stock to inflect with it.

We're also excited about the Grover acquisition, which closed in May 2025. The purchase price was \$850M upfront plus up to \$200M in revenue-based earn-outs, or just 7.7x 2024 EBITDA for a business that grew revenue at a 29% two-year CAGR and has ~82% margins. Grover is the dominant, vertically integrated provider of electronic pull-tabs — regulated gaming devices in VFW halls, American Legion posts, and local bars, where a portion of proceeds funds charities — with 10,000+ leased devices with recurring revenue-share economics across 1,500 low-churn customers. The runway waterfall is what makes this compelling: paper pull-tabs are legal in 39 states, e-pull-tabs in just 11, and Grover operates in only 5 (North Dakota, Ohio, Virginia, Kentucky, New Hampshire) — so there's room for Grover to expand share where it already operates, to expand into already-legal

states, and to take advantage of legalization in additional states. Minnesota and Maryland are the two priority already-legal states, while Indiana legalized in 2025 following the acquisition, and Grover is already #2 there with ~20% share within a year of entry, and charities themselves are lobbying for legalization in new states. Critically, neither the deal model nor management's \$2B 2028 target underwrites any new-state expansion — that's all free optionality. Within existing states, venues have capacity for more units and same-store growth remains healthy. There are also content synergy opportunities with the rest of LNW's business: the company has spent billions on slot R&D over decades, and can now layer proven franchises onto Grover's installed base — even redeploying depreciated premium gaming-ops units into the charitable channel at strong incremental returns.

In summary, LNW is a high-growth, high-margin, hardware-anchored, regulated recurring-revenue business (~73% recurring revenue vs 65% in 2024), driving what should be an Aristocrat-style valuation re-rating — and it's insulated from AI disruption.

Conclusion

Strong performance does not change our investment process. We continue to evaluate each holding against the next-best opportunity, trimming or exiting positions when the prospective return no longer justifies the risk and reallocating capital toward investments with more attractive upside. Our exits from Dave and most of our Root position during the quarter reflect that discipline.

Today, the portfolio is concentrated in businesses where we believe improving fundamentals, management execution, identifiable catalysts, and attractive valuations support substantial long-term upside. We are particularly excited about Liquidia, Basic-Fit, Light & Wonder, and Celsius, each of which we believe remains meaningfully undervalued despite recent portfolio gains.

Dislocations across small and mid-cap equities continue to create compelling investment opportunities, particularly in situations involving misunderstood business models, temporary operational headwinds, or improving competitive positioning. We remain committed to a disciplined underwriting process and believe the portfolio is well positioned to continue compounding capital over the long term.

As always, we appreciate your continued support and partnership. Please do not hesitate to reach out with any questions or if you would like to discuss the portfolio further.



Zack Buckley
Founder & Portfolio Manager

Appendix – Returns by Year

Year	Buckley Net
2008	(35.5%)
2009	119.3%
2010	6.4%
2011	49.5%
2012	10.6%
2013	22.0%
2014	25.7%
2015	(2.6%)
2016	(5.2%)
2017	17.1%
2018	(18.4%)
2019	2.3%
2020	60.6%
2021	32.9%
2022	(19.9%)
2023	31.4%
2024	2.0%
2025	21.4%
2026 YTD	29.7%
Annualized Return	14.6%
Total Returns Since Inception	1140.4%

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The results presented herein represent performance returns of a proprietary trading account managed by the principal of Buckley Capital Advisors LLC from January 2008 through December 2010, with the results from January 1, 2011, onward reflecting BCP. The results shown were prepared by the account's administrator and the fund's administrator, respectively. Results for the fund reflect the deduction of: (i) an annual asset management fee of 1.0%; (ii) a performance allocation equal to 20% of each investor's ratable share of Fund profits, subject to a "high water mark"; and (iii) transaction costs actually incurred. The results shown for the managed account do not reflect the deduction of certain organizational and operating expenses common to investment funds, which would serve to decrease profits or otherwise increase losses. The information provided herein is for illustration purposes only, confidential, and proprietary, and is intended only for use by the recipient. Performance figures are not audited and were obtained through an independent third-party provider.

The BCP benchmark is the iShares Russell 2000 Value ETF, a managed ETF that measures the performance of the small-cap segment of the U.S. equity universe. The fund's holdings may differ significantly from the securities in the benchmark. Smaller capitalization securities involve greater issuer risk than larger capitalization securities, and the markets for such securities may be more volatile and less liquid. Specifically, small capitalization companies may be subject to more volatile market movements than securities of larger, more established companies, both because the securities typically are traded in lower volume and because the issuers typically are more subject to changes in earnings and prospects.

The monthly returns presented are calculated to show net returns that an investor would have received had the investor invested for each period since the start of the fund. BCP may use leverage as part of its investment

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The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios, and lower forecasted growth values.

The Russell 1000 Index is a capitalization-weighted index that tracks the highest-ranking 1,000 stocks in the Russell 3000 Index, which represent about 93% of the total market capitalization of that index. As of 31 December 2022, the stocks of the Russell 1000 Index had a weighted average market capitalization of \$381.3 billion and a median market capitalization of \$12.2 billion.

The Standard & Poor's 500 (S&P 500) Index is a free-float weighted index that tracks the 500 most widely held stocks on the NYSE or NASDAQ and is representative of the stock market in general. It is a market-value-weighted index with each stock's weight in the index proportionate to its market value.