

PERFORMANCE

Adrigo Small & Midcap L/S Class A and Class C rose 10.87% and 9.63% respectively in May, net of fees. The Carnegie Small Cap Return Index Nordic rose by 5.07% in May.

Among the fund's larger holdings, **Calliditas** (pharmaceuticals), Pierce Group (e-commerce) and **Initiator Pharma** (e-commerce) provided good contributions. Among the fund's mid-sized positions, **Smart Eye** (Software), **Cint Group** (Software) and **Enea** (Software) made good contributions. Our short positions contributed negatively overall.

Adrigo Small & Midcap L/S Class A has returned 138.8% since inception, net of fees. Over the same period, the benchmark STIBOR 1M rate returned 5.4% and the Carnegie Small Cap Return Index Nordic gained 101.0%. The average compound return for the fund has been 14.1% per year since inception.

THE MARKET & THE COMPANIES

May was a strong month for the global developed stock markets. MSCI World rose by 4.1%, S&P 500 by 5.0% while EURO STOXX 50 rose by 2.4%. Emerging markets also performed well with Hang Seng and MSCI China up 2.5% and 2.5% respectively. Norway was again the strongest Nordic market gaining 5.1%. The Finnish market returned 4.6% while Denmark and Sweden were more modest at 3.5% and 2.8% respectively. Nordic small caps gained 5.1% while Swedish small caps gained 5.6%. The oil price weakened during May falling by 7% and continued to fall in June. OPEC met on 2 June and decided to continue with the current production cuts, which will be phased out by the end of December 2025.

The main event of the month was the cash bid for **Calliditas** by Japanese Asahi Kasei. We invested in Calliditas at the IPO 2018 and have been actively trading around the position over the years. The premium of 83% is obviously very attractive, although we have mixed feelings. Calliditas is at a very interesting phase with full approval in the US in Q4 2023 and accelerating sales. European approval is on the cards for 2024, a year in which the company is expected to show profits and very strong cash flows.

Pierce Group reported good first-quarter results and returned to organic growth and profitability. CEO Göran Dahlin was appointed early last summer, and he immediately took swift action, which now is starting to bear fruit. Headcount reductions and some reorganisation have reduced costs and increased flexibility. It's worth emphasizing that 2025 most likely will be a transition year in terms of profitability. However, we expect margins to increase significantly in 2025 and we see good potential in the stock despite the recent good performance.

BHG Group, the Swedish e-commerce company, held a CMD with updated financial targets. Management is optimistic after strengthening the balance sheet without issuing new equity. The cost-cuttings and divestments are starting to show results and we believe that 2025 will be a highly interesting year.

Smart Eye, a software company focused on Driver Monitoring Systems and Interior Sensing solutions, reported a total sales growth of 34% and 138% growth within Automotive. The company is at an inflexion point with an accelerating ramp-up within Automotive (with 322 design wins from global auto producers) and a positive EBITDA towards the latter part of 2024. The share has historically been highly volatile and fell from a level above 200 SEK in mid-2021 to below 50 SEK in H1 2023. We have previously invested in the company and reinvested when the company made a directed issue (hopefully the last) in spring 2024.

In our April monthly letter, we wrote about an investment we made in Getinge in April. We were lucky in the short-term as the Q1 results were stronger than expected. However, shortly thereafter, the FDA sent out a warning letter, causing the stock to plummet. Even if the earnings impact of the letter will not be significant it was clearly bad for the sentiment. We assess that it will take at least a couple of quarters without any negative surprises for the company to regain the trust of the market.

We have noticed a clear increase in takeovers over the last couple of months. Maybe not surprising, given that small-caps are now clearly undervalued from a historical perspective. We continue to find attractive investment opportunities in the space.

As always, we would like to thank you, our co-investors, for your continued trust. Please feel free to contact us with comments or questions.

VISITS DURING THE MONTH

We met with Ossdsign, Pierce, Flerie Invest and Sinch, among others.

We also participated in a number of conferences and conference calls.

LARGEST CONTRIBUTORS

- › Calliditas – Pharmaceuticals
- › Pierce Group – E-commerce
- › Smart Eye – Software
- › Initiator Pharma – Biotech
- › Cint Group – Software



Portfolio management



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In the industry since 1987

Fund information

Launch date	2017-11-01
ISIN	SE0010440735
Subscription fee	0%
Redemption fee	0%
Fixed management fee	1%

Performance related management fee 20% of total return exceeding STIBOR 30 days rate after deduction of fixed fee ("high water mark").

Deposit: Initial minimum SEK 1000.

Risk and reward profile



Important information:

Investment in funds always involves some kind of risk. Past performance is no guarantee for future performance. Fund units may go up or down in value and may be affected by changes in exchange rates. Investors may not get back the amount invested. Full information on Adrigo funds, such as the prospectus, key investor information documents (KIID) and financial reports is available on adrigo.se.

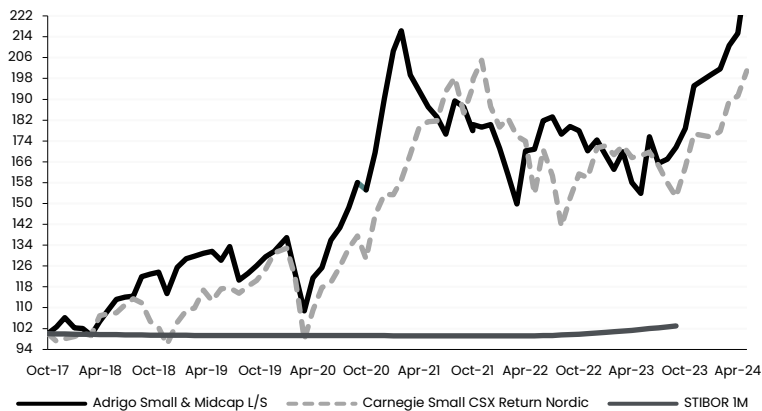


ADRIGO SMALL & MIDCAP L/S

May 2024

Performance

Nov 2017 – May 2024



Focus of Investment:

Adrigo Small & Midcap L/S is a hedge fund focusing on investments in Nordic equities and equity-related instruments in the segment of small and medium-sized companies.

Objective

High absolute return at a lower risk than the overall equity market.

Strategy

Adrigo Small & Midcap L/S is long/short hedge fund with a long bias. We put emphasis on fundamental research, stock picking approach.

Trading Day

Fund units of Adrigo Small & Midcap L/S are open for subscription and redemption on the last banking day every month.

NAV

NAV is calculated on the last banking day of each month and published at the latest on the fifth banking day thereafter.

Deposit

Initial minimum SEK 1000.

Custodian

Skandinaviska Enskilda Banken AB (publ)

Portfolio manager

Adrigo Asset Management, a division of East Capital Financial Services AB, corp. identity no. 556988-2086.

Management company

East Capital Asset Management S.A.

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Key and Risk figures	30/04/24	1 M	12 M	Since inception
NAV Class A, SEK	238,9			
NAV Class C, SEK	2 835,1			
Performance, % *		10.87	51.11	138.79
STIBOR 1M, %		0.31	3.99	5.38
Std deviation, % *, **			19,30	17.89
Sharpe ratio *			2.65	0.75
Net exp. to eq. %	>60.0			

*Refers to Class A **Annualized

Performance, %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024 Class A	2.30	1.04	4.45	2.23	10.87								22.36
2024 Class C	1.92	0.90	3.61	1.87	9.63								19.00
2023 Class A	2.48	-3.50	-3.08	4.11	-6.97	-2.65	14.15	-5.81	0.97	2.77	4.17	9.16	14.63
2023 Class C	2.47	-3.50	-3.08	4.11	-6.96	-2.66	14.15	-5.81	0.97	2.77	4.17	8.66	14.11
2022 Class A	0.56	-5.01	-5.90	-7.01	13.56	0.40	6.35	0.85	-3.67	1.71	-0.91	-4.34	-5.05
2022 Class C					13.87	0.32	5.08	0.72	-3.67	1.71	-0.91	-4.34	11.31
2021	9.67	3.71	-7.87	-3.09	-3.15	-2.04	-3.61	7.21	-1.24	-4.86	1.31	-0.57	-5.74
2020	4.04	-9.92	-11.79	11.65	3.21	8.42	3.53	5.51	6.47	-1.81	9.16	12.25	44.53
2019	8.73	2.71	0.74	0.86	0.53	-2.61	4.16	-9.63	2.11	2.40	2.66	1.65	14.09
2018	-3.65	-0.22	-2.53	5.24	4.12	3.86	0.79	0.25	6.61	0.75	0.67	-6.70	8.69
2017											2.65	3.40	6.14

Important information: Adrigo Small & Midcap L/S are Alternative Investment Funds (so called "specialfond") according to the Swedish Act (2013:561) of Managers of Alternative Investment Funds. Investments in funds always involve risks. Past performance is no guarantee for future performance. Fund units may increase or decrease in value and may be affected by changes in exchange rates and other factors. Investors may not get back the amount invested. Before investing, please read the fund regulations and the information memorandum carefully. For full information, such as the information memorandum, key information documents (KID) and financial reports please see www.adrigo.se. The availability of the fund may be limited or restricted in some countries. Detailed information about where the funds are registered and what types of distribution are permitted can be obtained from Adrigo Asset Management. The information about the fund is only directed at those investors located where Adrigo is authorized to make this information available and is not intended for any use which would be contrary to local law or regulation. Consequently, the Adrigo funds may not be offered, sold or distributed in these countries unless such offer, sale or distribution is made in accordance with any applicable exemption from any registration requirements provided by the local securities laws and regulations. Prospective investors should inform themselves as to: (a) the legal requirements within their jurisdictions for the purchase and holding of shares; (b) any foreign exchange restrictions which may affect them; and (c) the income and other tax consequences which may apply in their jurisdictions relevant to the purchase, holding or disposal of shares.