

PERFORMANCE

Adrigo Small & Midcap L/S Class A and Class C rose 4.2 % in October, net of fees. The Carnegie Small Cap Return Index Nordic increased by 7.4% in October.

Among the fund's larger holdings, **Sinch** (Software), **Bonesupport** (Medtech) and Golden Ocean (Transportation) provided good contributions. Among the fund's mid-sized positions, we noted good contributions from **Cint** (Software), **Camurus** (Healthcare) and **Enea** (Software). Our short positions had a negative contribution in aggregate.

Adrigo Small & Midcap L/S Class A has returned 71.6 % since inception, net of fees. The compounded return has been 9.4% per year since inception. In the same period, the benchmark STIBOR 1M rate returned 3.0% and the Carnegie Small Cap Return Index Nordic gained 52.6%.

THE MARKET & THE COMPANIES

Better than expected inflation numbers drove down interest rates and gave fuel to global stock markets in November. MSCI World and EURO STOXX 50 rose by 8.3 % and 8.1 % respectively. Swedish large caps (OMXS30) developed somewhat weaker but were still up by 7.8 %. Swedish small caps (CSRS Sweden) joined Russell 2000 and jumped by 11.4 %. The Finnish stock market advanced by 6.5 % while the Danish stock market rose 4.5 %. Weak oil prices kept a lid on the Norwegian market which rose by a mere 1.8 %. Oil prices (Brent) fell by 7.8 % over the month. OPEC announced further production cuts on the last day of the month. We know from experience that the various countries seldom are unanimous and the outcome is still uncertain. The cuts that were made (mostly by Saudi) during the autumn were replaced by volumes from countries such as the US and Venezuela. The price of Nickel declined by 8.2 % while Copper and Zink rose marginally.

After having followed the Swedish orthobiologics company **Ossdsign** since its IPO in 2019, we made our first investment in November 2022. Initially we were sceptical due to the lack of scalability in its, at that time, main product, a cranial implant. However, the company made a transformative acquisition in November 2020 which massively increased the market potential. The acquisition gave Ossdsign access to a product, now called Catalyst, which had been approved for the US market during the summer 2020. Catalyst is a nanosynthetic bonegraft which is mainly used in spine operations. The total market in the US alone is worth some USD 1.8 billion. The product was launched in August 2021 and sales have, since then, grown exponentially. One has to remember that there is a big difference between launching a medtech product and a drug. Each hospital and each surgeon has to be convinced of the superiority of the product. Hence, it is normal that growth sometimes goes in steps (which we have seen in another of our large holdings, Bonesupport).

The gross margin for Catalyst is above 90 % and the scalability is high as the company has a go-to-market strategy with a large number of independent distributors. Ossdsign made an equity raise late September and the company now expects to be capitalized to reach positive cashflow in the medium term. In connection with this transaction, the company also made a strategic shift and decided to wind down the cranial business. The company will be able to lower OPEX by some SEK 30-40 million by focusing solely on Catalyst. Ossdsign has a sales target of SEK 150-200 million in the medium-term perspective which can be compared to this year's sales of Catalyst which should come in just shy of SEK 60 million. We see a significant potential for the shares with the current market value being only SEK 600 million.

On December 1st, **Billerud** (packaging), as expected, appointed Ivar Vattne as CEO. Mr Vattne has been acting CEO since the previous CEO left in July. We very much welcome this change and we are confident that Mr Vattne will be able to create shareholder value. Our opinion is that the rather aggressive CapEx plans for its US operations will be scaled down. By doing this, Billerud will produce a considerable amount of free cashflow over the coming years. The share is trading at a significant discount to its peers and we see a revaluation potential of around 50 %.

A new holding in the fund is Maven Wireless, a fast-growing and profitable company. Maven develops digital DAS systems (Distributed Antenna Systems) for wireless coverage. Its products are used to improve the coverage in tunnels and large indoor areas. Founded in 2016, the company has made strong inroads and has landed a number of large European customers. The company announced a breakthrough order in the US during the summer of 2023.

Finally, we would like to thank you, our co-investors, for your continued trust!

VISITS DURING THE MONTH

Among the companies we have met during the month we would like to mention Ossdsign, Bonesupport, Billerud and Holmen. We have also participated in a number of investor seminars.

LARGEST CONTRIBUTORS

Sinch – Software
 Camurus – Healthcare
 Bonesupport - Medtech
 Enea – Software
 Golden Ocean – Transportation



Portfolio management



Staffan Östlin
 Portfolio Manager and CIO
 +46 73 337 83 44
 staffan.ostlin@adrigo.se
 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").

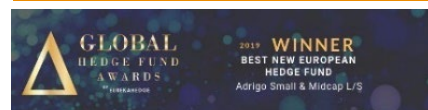
Deposit: Initial minimum SEK 1000.

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.

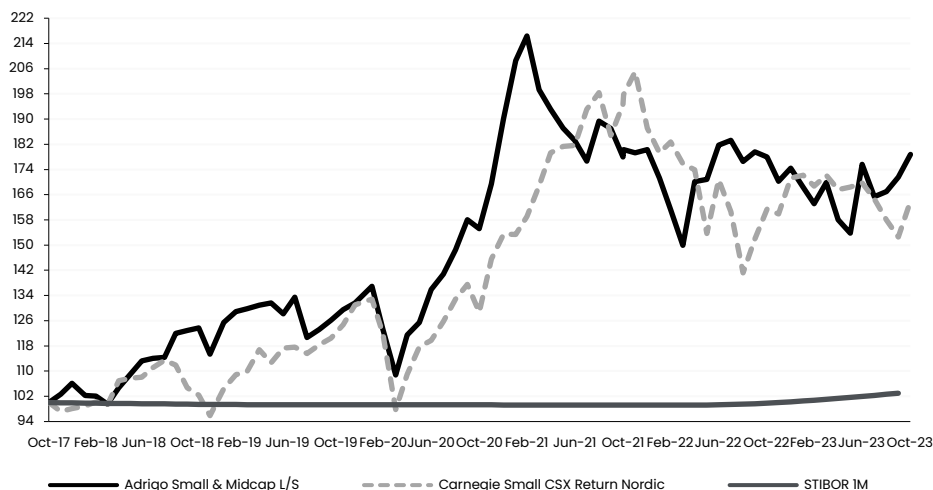


ADRIGO SMALL & MIDCAP L/S

November 2023

Performance

Nov 2017 – Nov 2023



NAV Class A, SEK	178.76		
NAV Class C, SEK	2 192.04		
Performance, % *	4.17	1.53	78.76
STIBOR IM, %	0.34	3.50	3.33
Std deviation, % *, **		20.33	18.94
Sharpe ratio *		0.02	0.53
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
2023 Class C	2.48	-3.50	-3.08	4.11	-6.97	-2.65	14.15	-5.81	0.97	2.77	4.17		5.01
2023 Class A	2.47	-3.50	-3.08	4.11	-6.96	-2.66	14.15	-5.81	0.97	2.77	4.17		5.01
2022 Class C					12.87	0.32	5.08	0.72	-3.67	1.71	-0.90	-4.34	11.31
2022 Class A	0.56	-5.01	-5.90	-7.01	13.56	0.40	6.36	0.85	-3.67	1.71	-0.91	-4.34	-5.05
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

Source: Adrigo Asset Management

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.

Contact

Kungsgatan 33, 111 93 Stockholm, Sweden
Tel +46 (0)8 505 887 00
www.adrigo.se