

PERFORMANCE

Adrigo Small & Midcap L/S Class A and Class C rose 0.99% in September, net of fees. The Carnegie Small Cap Return Index Nordic fell by 4.0% in September.

Among the fund's larger holdings, **Billerud** (Packaging) and **Frontline** (shipping) again provided good contributions. **OssDsign** (Medical Technology) provided a solid contribution after successfully raising capital and after some good news. Middle-sized positions with good contribution were **Hafnia** (Transportation), **Camurus** (Healthcare) and **Dolphin Drilling** (Energy). Our short positions had a positive contribution in aggregate, driven by good individual shorts and our index hedge.

Adrigo Small & Midcap L/S Class A has returned 67.0% since inception, net of fees. The compounded return has been 9.1% per year since inception. In the same period, the benchmark STIBOR 1M rate returned 2.6% and the Carnegie Small Cap Return Index Nordic gained 58.0%.

THE MARKET & THE COMPANIES

Global stock markets were weak during September. MSCI World fell 3.7% while EURO STOXX 50 declined 2.8%. The Swedish large cap index (OMXS30GI) was down 1.3%, while Swedish small caps underperformed and fell 3.8%. Again, Sweden clearly underperformed its Nordic peers during the month. Oil prices rose sharply with Brent trading up some 6% and WTI 8.5%. The commodity index, CRB, rose by 1.4% with a weak development for nickel while zinc rose by some 9%.

The fund's performance was quite volatile during the month but had a strong finish. The fund has a relatively large exposure towards smaller companies and short-term liquidity changes can impact prices both upward and downwards. As an investor, we believe one should look at the performance over a longer period, at least the rolling average over three or six months.

Perhaps the most important event amongst our holdings during the month was the directed equity issue done by **OssDsign**. The company strengthened its liquidity by SEK 150 million (before transaction costs). At the same time, the company decided to focus entirely on the orthobiologics market in the US – an important step. Thus, the operations within the cranial business will be phased out. Cranial is a tailor-made product with a strong market presence but with low scalability and limited market potential. This decision will result in a substantial reduction in the cost base, future capital needs will be reduced, and the company expects to reach positive cash flow in the medium-term.

Moreover, OssDsign received clearance for its product Catalyst from the FDA for a major indication for use in interbody cages. Catalyst has a gross margin above 90% and grew sales by 453% in Q2 (40% sequential growth). Market cap of OssDsign is still a mere SEK 600 million and the company is in the early stages of its growth phase. With its growth profile now being fully funded, we believe more institutional investors will discover the company and the share.

In our July letter, we touched on a new investment, **Enea** (software). We met with the new CEO, Anders Lidbeck in September, a meeting which clearly strengthened our positive view. Below, we outline the company and why we see substantial upside in the share.

In April, the company announced that one of its customers, a large European telecom operator, had terminated a contract before final delivery. The contract, for Enea's 5G Cloud Network Data Layer, was signed in 2020 with a value of EUR 24 million. This was the prelude to the significant changes that were announced during the summer: change of CEO, cost reductions and efficiency measures (which will strengthen the cashflow by SEK 60 million on a yearly basis) as well as a review of the potential within its product portfolio within telecom. The latter led to a write-down of intangibles of SEK 520 million. In hindsight, the company's plans within 5G Cloud Network Data Layer seems to have been too ambitious and actions were needed. The new CEO, Mr Lidbeck, chose to clean the whole deck, a decision we applaud. Importantly however, Enea is not all about 5G Cloud Network Data Layer. The other nine areas in its software portfolio are developing well with strong cashflows and solid growth. The largest is cyber-security with a strong product offering in a growth area with good secular growth. In our meeting, Mr Lidbeck was clear that the sales organisation will be more focused on solutions where Enea has a great chance to win. The company initiated a buy-back program in connection with its Q2 report. This year is a lost year with a significant impact on the P&L from the write-downs. However, the ambitions to deliver 10% top-line growth and 35% EBITDA margin is unchanged. We have faith in Mr Lidbeck's abilities to turn-around the company which implies a significant potential in the share price.

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

VISITS DURING THE MONTH

Among our holdings, we met with OssDsign, Billerud, Enea, Opter, Online Brands and Frontline.

We also met with Sandvik which gave us a good understanding of the short-term outlook for the engineering- and mining industry.

LARGEST CONTRIBUTORS

Billerud – Packaging
Frontline – Shipping
OssDsign – Medtech
Dolphin Drilling – Energy
Hafnia – Shipping

5
YEARS

Portfolio management



Staffan Östlin
Portfolio Manager and CIO
+46 73 337 83 44
staffan.ostlin@adrigo.se
In the industry since 1987

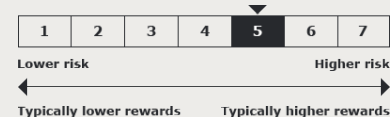
Fund information

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.

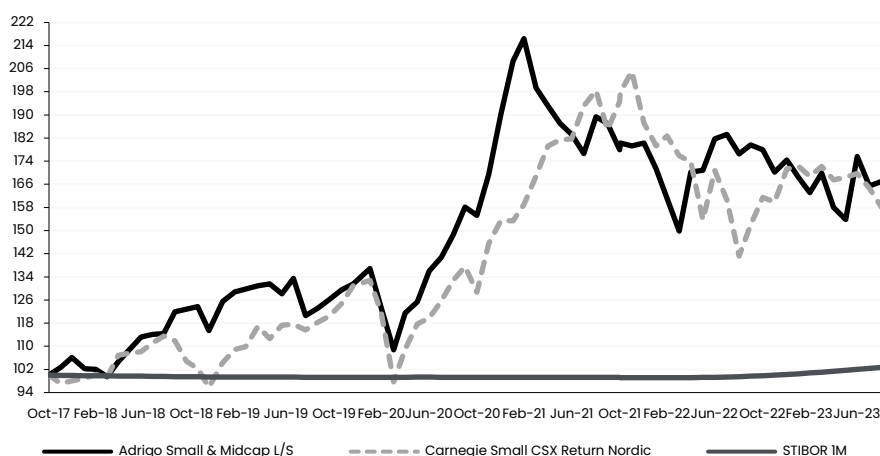


ADRIGO SMALL & MIDCAP L/S

September 2023

Performance

Nov 2017 – Sept 2023



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

Key and Risk figures	30/09/23	1 M	12 M	Since inception
NAV Class A, SEK	166.99			
NAV Class C, SEK	2 047.74			
Performance, % *		0.97	-5.38	66.99
STIBOR IM, %		0.34	3.16	2.64
Std deviation, % *, **			19.73	19.15
Sharpe ratio *			-0.27	0.47
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				-1.90
2023 Class A	2.47	-3.50	-3.08	4.11	-6.96	-2.66	14.15	-5.81	0.97				-1.89
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

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 own 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 own jurisdictions relevant to the purchase, holding or disposal of shares.