

ADRIGO SMALL & MIDCAP L/S

February 2021

Performance

Adrigo Small & Midcap L/S rose by 3.71% in February, net of fees.

The Fund's larger holding in **Kalera** (horticulture) and **Vaccibody** (biotechnology) provided good contributions. Among the mid-sized positions, we noted good gains in **CDON** (online retail), **Efecte** (software), and **Veoneer** (automotive safety) whilst we noted good percentage gains in **Cellink** (medtech) and **RaySearch** (medtech). The Fund's short positions impacted performance negatively in aggregate.

Adrigo Small & Midcap L/S has returned 116.3% since inception, net of fees. In the same period, the benchmark STIBOR 1M rate has returned -0.8% and the Carnegie Small Cap Return Index Nordic has gained by 59.1%.

Market Comment

The Carnegie Small Cap Return Index Nordic rose by 3.72% in February. Larger companies also developed strongly. Norway, with large energy exposure, rose some 4%. Global macro data continued to indicate expansion, while central banks showed no signs of hiking short-term interest rates. After trading flat in January, however, the US ten-year treasury rose sharply during the month, which created turmoil and led to sharp sector rotations. Raw materials have remained in focus where both oil (Brent) and copper rose some 15%.

Outlook

We have initiated a mid-sized position in **Dometic** (leisure products) during the initial months of 2021. CEO Mr Vargues continued to drive product innovation in 2020, at the same time cutting back on its product offering and delisted some 50% of the SKUs. We believe the mix with new products, reduced product portfolio maintenance costs and lower working capital tied up will be beneficial for cash flows in the coming years. During 2020, Dometic resolutely reduced its cost base, we note that grants and reduced personnel costs contributed just over 200m SEK in 2020, but nevertheless the Company's actions were impressive, especially the relocation of production from China to Mexico. Dometic entered 2021 with a lower cost base and strong order book, which corresponds to above two months of production, significantly longer than the normal two weeks. Historically, the operating leverage has been high, and we believe that margins may surprise positively in 2021, even though there is a raw material headwind during the year.

We see a major long-term transformation where Dometic is moving from being a subcontractor to the RV industry and transform into a consumer goods company. In February, Twin Eagles, a manufacturer of grills and products for outdoor kitchens, was acquired. We expect to see more similar more niche brand acquisitions in the future. One could compare with Thule's successful transformation that has taken place over the last years and we see solid multiple expansion potential in Dometic going forward.

We also like to highlight **Kalera**, a holding that has grown size and importance ever since we initiated a position in March 2020. Kalera, which operates hydroponic vertical farms, raised some 30m USD to finance the acquisition of Vindara. Vindara specializes in producing seeds specifically for fast-growing indoor farming. Kalera will now shorten its production cycle, which will have a major effect on profitability. In addition, Kalera will also be able to broaden its product range to e.g. spinach and basil.

The Company has continued its rapid expansion strategy and targets 16 facilities by the end of 2022 and 41 by the end of 2025. We also believe that the Company will announce its first facility outside the US during 2021. Kalera's business concept is brilliant from an ESG point of view as its production consumes 95% less water, has a significantly lower carbon footprint, and a healthier product since no pesticides are used. Kalera will price its products in line with traditionally farmed greens which should support a rapid customer acceptance and Kalera to become profitable relatively quickly.

We initiated a smaller position in **XMReality** (software) during the month. XMR offers a software tool where an operator/expert via augmented reality assist and guide an onsite service technician to solve complex tasks without physical presence. Customers get a fast and cost-effective service without unnecessary production stoppages. The share has been trading weak since its IPO in 2017, but the Company has showed rapid growth in its user base during 2020 and business momentum has turned. Nestlé, ABB, and Heineken are some of its global customers, and although sales growth comes from low absolute levels, we believe that XMReality has validated its product offering and has some interesting years ahead.

Finally, we would like to thank our co-investors for your continued trust, and we continue to see good opportunities for above-market returns going forward!

Portfolio management



Staffan Östlin
Portfolio Manager and CIO



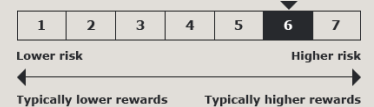
Johan Eriksson
Portfolio Manager

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 50.000, thereafter minimum SEK 10.000.

Risk and reward profile



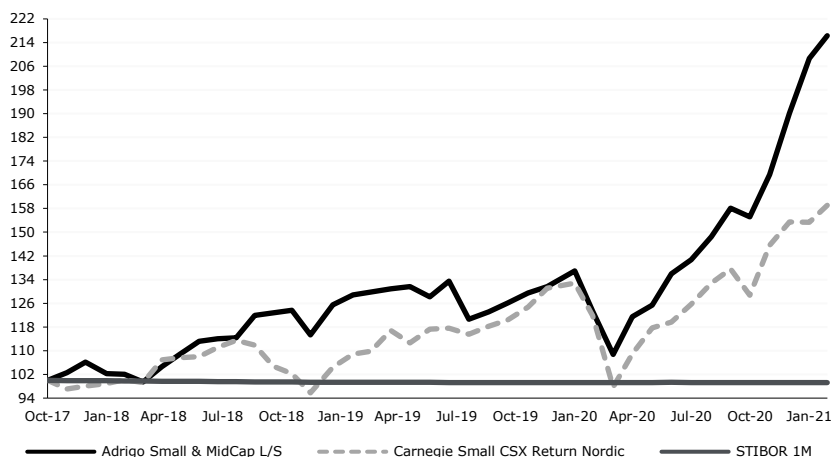
Important information: Investment in funds always involves some kind of risk. Past performance is no guarantee for future performance. Fund units may go up or down in value and may be affected by changes in exchange rates. Investors may not get back the amount invested. Full information on Adrigo funds,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



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February 2021

Performance Nov 2017 – Feb 2021



Portfolio Managers

Staffan Östlin (CIO)
Johan Eriksson

Launch date

2017-11-01

Current fees

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").

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 50.000, thereafter minimum SEK 10.000.

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.

| Key and Risk figures | 26/02/21 | 1 M | 12 M | Since inception |
|----------------------|----------|-------|-------|-----------------|
| NAV, SEK | 216.34 | | | |
| Performance, % | | 3.71 | 75.40 | 116.34 |
| STIBOR 1M, % | | -0.01 | -0.03 | -0.77 |
| Std deviation*, % | | | 23.01 | 18.69 |
| Sharpe ratio | | | 3.28 | 1.39 |
| Net exp. to eq. % | 47.8 | | | |

*Annualized

| Performance, % | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|----------------|-------|-------|--------|-------|------|-------|------|-------|------|-------|------|-------|-------|
| 2021 | 9.67 | 3.71 | | | | | | | | | | | 13.74 |
| 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 funds are Alternative Investment Funds (so called "specialfond") according to the Swedish Act (2013:561) of Managers of Alternative Investment Funds and are therefore not to be considered as UCITS funds. Adrigo funds are only directed at institutions and other professional investors and are not subject to the same regulatory framework as those funds which are adapted to retail investors. 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 investor information documents (KIID) and financial reports please see www.adrigo.se. The availability of Adrigo funds 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 Adrigo funds 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.

Source: Adrigo Asset Management