

ADRIGO SMALL & MIDCAP L/S

April 2021

Performance

Adrigo Small & Midcap L/S fell by 3.09% in April, net of fees.

The Fund's larger holdings in **Rugvista** (e-commerce) and **Bonesupport** (medtech) provided good contributions. Among the mid-sized positions, we noted good gains in **Dometic** (leisure products) and **Efecte** (software). The Fund's Norwegian holdings in **Atlantic Sapphire** (salmon farming), **Kalera** (horticulture), and **Kahoot** (e-learning) had a negative contribution of 460 bps during April. Among the smaller positions, we noted a good percentage gain in **Clavister** (software). The Fund's short positions impacted performance negatively in aggregate.

Adrigo Small & Midcap L/S has returned 93.2% 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 79.9%.

Market comment and outlook

The Carnegie Small Cap Return Index Nordic rose by 6.20% in April. All Nordic stock markets rose during April, where we noted an outperformance from *Health Care* and *Consumer Services* related companies. Nordic small caps outperformed larger entities during the month. The Q1 reports have in general been better than analysts' expectations, primarily driven by lower operational costs, which have been boosting margins. Market expectations have obviously been higher, and we often noted muted or negative share price reactions post earnings. There are still large uncertainties regarding sustainable long-term cost savings in a more normalized operating environment.

Dometic's Q1 earnings was better than expected. Continuous strong retail sales and low inventory levels drew strong demand from OEMs (both marine and RV). We noted high incremental margins in the quarter, which will likely remain due to the strong order book despite cost pressures from higher freight rates and raw material headwinds. M&A is more on the agenda during 2021 compared to previous years and Dometic announced its second acquisition, a US based provider of aftermarket products primarily to the RV industry, late Q1. We have seen upward analyst estimates post earnings, but analysts still do not highlight Dometic's "Thule transformation" with increased focus on the Dometic brand and direct-to-consumer sales as a potential trigger. Besides Thule, one could compare with US listed Yeti, which has a similar product offering within coolers. Yeti trades at close to 5x 2021 sales estimates whereas Dometic trades just above 2x. There is obviously a multiple expansion potential if Dometic continue its journey from OEM supplier to becoming a retail brand.

Calliditas Therapeutics (biotechnology) announced that both FDA and EMA granted priority review and accelerated assessment respectively for *Nefecon* during April. This will probably shorten the review period by a couple of months, but more importantly give a clear timeline for commercialization preparations and highlights the high unmet medical need. The share has been weak since the positive Phase 3 top line results, probably due to weak US biotech sentiment (CALTX has a dual listing in the US) and major shareholder rotations (early-stage investors selling as CALTX becomes more mature). We continue to see high value potential in the share just valuing the *Nefecon* potential alone, in addition CALTX has an interesting pipeline although at an earlier stage currently.

Kalera declined some 17% in April and being a relatively large holding, Kalera was a major reason to the weak performance. Since February's equity raise, financing the Vindara acquisition, the share has declined just over 30%. We saw the share appreciated strongly during the autumn likely due to speculators comparing Kalera's valuation against US listed AppHarvest. However, during the last six weeks we have seen AppHarvest's share decline some 50% likely putting pressure on Kalera. This also highlights the evident risks of valuing companies on a relative basis. Operationally nothing has changed in Kalera. On the contrary, two new strong names have been added to the BoD and Kalera harvested the first volumes at the recently added Atlanta facility. Management ensured that production goes as planned with high productivity which we find comforting after the somewhat weak production volumes at the Orlando facility in Q4 due to airflow constraints. Kalera is one of the fastest growing companies within vertical hydroponic farming and targets to operate 17 large-scale facilities by 2022. Rapid expansion requires not only capital but also a proper organization and technology. We believe that the Atlanta production execution proves that Kalera has these qualities.

Although a couple of months is a short time period, we are clearly disappointed with the performance in March and April. During April we went through the portfolio again and decided to scale down one previous mid-sized holding and reallocate. Finally, we would like to thank our co-investors for your trust.

Portfolio management



Staffan Östlin
Portfolio Manager and CIO



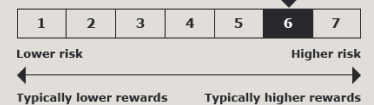
Johan Eriksson
Portfolio Manager

Fund information

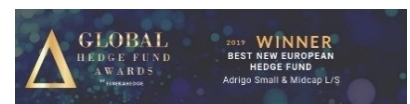
Launch date	2017-11-01
ISIN	SE0010440735
Subscription fee	0%
Redemption fee	0%
Fixed management fee	1%

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.

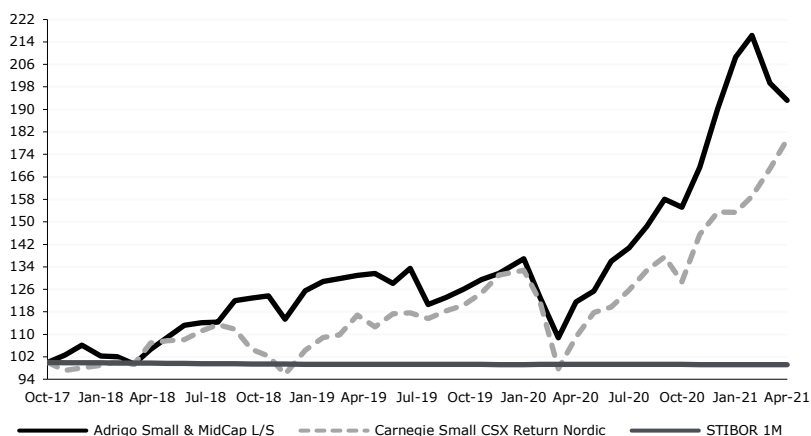


ADRIGO SMALL & MIDCAP L/S

April 2021

Performance

Nov 2017 – Apr 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	30/04/21	1 M	12 M	Since inception
NAV, SEK	193.16			
Performance, %		-3.09	59.01	93.16
STIBOR 1M, %		-0.01	-0.02	-0.78
Std deviation*, %			20.37	19.17
Sharpe ratio			2.90	1.08
Net exp. to eq. %	>60.0			

*Annualized

Performance, %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	9.67	3.71	-7.87	-3.09									1.55
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