

Adrigo Small & Midcap L/S

Monthly Report January 2025



Performance

Adrigo Small & Midcap L/S Class A and Class C gained 5.89% in January after fees. The Carnegie Small Cap Return Index Nordic rose by 5.41% over the same period, while STIBOR 1M returned 0.22%.

Among the fund's larger holdings, Getinge (medical technology) and Frontline (transport) made strong contributions. Among the fund's small and mid-sized positions, we noted solid contributions from BHG Group (e-commerce), Pierce Group (e-commerce), and Maven Wireless (technology). The fund's short positions, as a group, had a negative impact on returns.

Since inception, Adrigo Small & Midcap L/S Class A has delivered a total return of 79.02% after fees. Over the same period, STIBOR 1M has returned 7.52%, while the Carnegie Small Cap Return Index Nordic has gained 107.0%. The fund's average annual return since launch stands at 8.4%.

The Market and the Companies

Global equity markets performed well overall in January. European markets were particularly strong, with the EURO STOXX 50 climbing 8.1%. MSCI World rose by 3.5%, while the S&P 500 closed the month up 2.8%. Among emerging markets, Korea and Brazil both posted gains of 4.9%. The strongest Nordic market was Sweden, where the OMX Benchmark rose by 7.6%, while the Norwegian and Finnish markets also performed well, rising 6.3% and 6.0%, respectively. Denmark, however, declined by 1.5%.

Oil prices surged by 10% in the first half of the month but ended January largely unchanged. We note that the new US administration has imposed sanctions on several marine vessels within the so-called "shadow fleet," which transports oil products from Russia and Iran. This has led to significant shifts in transportation patterns, benefiting shipowners.

For some time now, we have been increasing our exposure to Nordic e-commerce. Falling interest rates, pent-up consumer demand, and tax cuts in Sweden are some of the factors driving our optimism.

We have been investors in **BHG Group**, an e-commerce company specialising in home improvement, since autumn 2023 and increased our exposure in early 2025. At the end of January, the company released its Q4 report, which significantly exceeded market expectations. The low expectations were evident as the stock surged 24% on the day of the earnings release. BHG has undergone a tough restructuring over the past two years, following an overly aggressive acquisition spree around 2020. However, in Q4, the company reported its first quarter of positive organic growth in three years.

Has **Getinge** turned a corner? We believe there are strong indications that it has. For several years, Getinge has struggled with both internal and external quality issues, which have had a severe negative impact on earnings (around SEK 600 million in 2024). The stock market has not been impressed, and the share price has stagnated. However, we believe the worst may be behind us, and the company is now well-positioned for strong sales growth and improving margins.



Staffan Östlin

Portfolio Manager &
Chief Investment Officer
staffan.ostlin@adrigo.se

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 information documents (KID) and financial reports is available on adrigo.se.

Visits during the month

Among the companies we met with were BHG Group, Wärtsilä, Camurus, Himalaya Shipping, BrainCool, Dometic, and Enea.

Largest contributors

- > BHG Group – E-commerce
- > Getinge – Medical technology
- > Frontline – Transport
- > Pierce Group – E-commerce
- > Maven Wireless – Technology

The fourth quarter was solid across the board, with strong order intake and significant margin improvements. We also note that the acquisition of Paragonix, completed in late August, appears to be highly successful. The first tranche of the earnout payment was already made in Q4. Paragonix specialises in the preservation and transportation of organs for transplantation – a new business area for Getinge. The company has achieved triple-digit growth in recent years and is expected to maintain a growth rate of around 50% this year. With this acquisition, Getinge has secured a growth engine that will enhance its organic growth and, within a year or so, start contributing positively to margins.

It takes time to change market perception, and many investors remain sceptical about Getinge. We believe the company will need to deliver another one or two quarters of stable performance before we see any meaningful multiple expansion.

As always, we would like to thank our co-investors for their trust. We are fully aware of the fund's weak performance in the second half of 2024, but we have strong confidence in our current portfolio. Please do not hesitate to reach out with any comments or questions.

Key & Risk figures

Key & Risk figures	NAV	1 M	12 M	Since inception	Date
Class A, SEK	179.02				31/01/2025
Class C, SEK	2125.50				
Performance, %*		5.97	-10.32	79.02	
STIBOR 1M, %		0.22	3.37	7.52	
Std deviation, %*			21.47	19.4	
Sharpe ratio*			-0.48	0.43	

*Refers to Class A

General information

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.

NAV

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

Portfolio manager

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

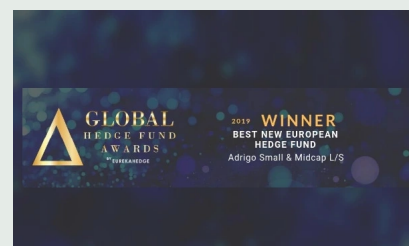
Management company

East Capital Asset Management S.A.

Contact

Kungsgatan 28, 111 35 Stockholm, Sweden
Tel +46 (0)8 505 887 00
www.adrigo.se

Awards



Monthly performance (Class A)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	5.97												5.97
2024	2.3	1.04	4.45	2.23	10.87	-5.44	-6.43	-7.59	-11.05	-5.19	-1.35	4.07	-13.36
2023	2.47	-3.5	-3.08	4.11	-6.96	-2.66	14.15	-5.81	0.97	2.77	4.17	9.16	14.63
2022	0.56	-5.01	-5.9	-7.01	13.56	0.4	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	2.4	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	-6.7	8.69
2017											2.65	3.4	6.14

Monthly performance (Class C)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	5,97												5,97
2024	1.92	0.9	3.61	1.87	9.63	-5.43	-6.43	-7.59	-11.05	-5.19	-1.35	4,07	-15,73
2023	2.48	-3.5	-3.08	4.11	-6.97	-2.65	14.15	-5.81	0.97	2.77	4.17	8.66	14.11
2022					12.87	0.32	5.08	0.72	-3.67	1.71	-0.91	-4.34	11.31

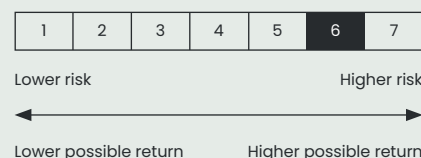
Fund facts

Fund type	Equity hedge fund
Launch date	Class A: 2017-11-01 Class C: 2022-05-02
ISIN	Class A: SE0010440735 Class C: SE0017133366
Subscription fee	0%
Redemption fee	0%
Fixed management fee*	1%
Benchmark	The fund does not follow any benchmark index
Deposit	Initial minimum SEK 1000.
Custodian	Skandinaviska Enskilda Banken AB (publ)
Trading day	Fund units of Adrigo Small & Midcap L/S are open for subscription and redemption on the last banking day every month.

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

Risk indicator

The fund has risk class 6 out of 7, which means that it can decrease/increase sharply in value. The risk indicator assumes you keep the product for 5 years.



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. This is marketing communication. This publication is not directed at you if we are prohibited by any law in any jurisdiction from making this information available to you and is not intended for any use that would be contrary to local laws or regulations. Every effort has been made to ensure the accuracy of the information in this document, but it may be based on unaudited or unverified figures or sources. The information in this document should not be used as the sole basis for an investment. Access to our funds may be limited in some countries. Contact us for detailed information on where the funds are registered and what type of distribution is permitted. It is also important that you yourself assess whether an investment is suitable in relation to these risks as well as the possible tax and other legal consequences and restrictions that may apply to you. You should also, if necessary, consult financial, legal, and tax advisors before investing. Past performance is no guarantee for future performance. The money invested in the funds can both increase and decrease in value, and it is not certain that you will get back the entire invested capital. Full information about our funds, such as prospectus, basic facts for investors (KID) and financial information can be found on our website www.adrigo.com and can be obtained free of charge from us or our local representatives.