

Adrigo Small & Midcap L/S

Monthly Report December 2024



Looking ahead

Performance

Adrigo Small & Midcap L/S Class A and Class C rose by 4.07% in December after fees. The Carnegie Small Cap Return Index Nordic fell by 0.06% during the same period.

Among the fund's larger holdings, **Online Brands** (e-commerce) and **Ossdsign** (medtech) made strong contributions to performance. Positive returns were also noted among the fund's smaller and mid-sized positions, including **Stillfront** (mobile gaming) and **Bonesupport** (medtech). However, the fund's short positions in aggregate had a negative impact on the fund's overall performance.

Since inception, Adrigo Small & Midcap L/S Class A has delivered a net return of 69.06%. Over the same period, the benchmark rate STIBOR 1M returned 7.31%, while the Carnegie Small Cap Return Index Nordic rose by 96.4%. The fund's average annual return since launch stands at 7.60%.

The Market and the Companies

Global equity markets displayed mixed performance in December. The MSCI World Index declined by 1.9%, and the S&P 500 fell by 2.4%, while the EURO STOXX 50 gained 2.0%. In the Nordics, **Novo Nordisk** experienced a sharp drop, leading to a steep 11.2% decline in the index. The Norwegian market fell by 2.0%, while Sweden and Finland saw smaller declines of -1.3% and -0.6%, respectively.

Reflecting on 2024, we acknowledge that the fund did not meet our ambitions. While the first five months were strong, the fund encountered several setbacks later in the year.

Performance Highlights

Bonesupport emerged as the top performer for the year, with a remarkable 105% gain. We have held the stock since November 2017, and the company has consistently exceeded even our highest expectations. Its market potential continues to grow, supported by the approval for trauma (open fractures) and promising data from the SOLARIO study, which indicates a significant reduction in the need for systemic antibiotics. Over the years, we have adjusted our position to maintain a portfolio weight just below 5%.

Other notable performers included **Enea**, **Calliditas**, **Opter**, and **Online Brands**. However, the portfolio also faced several disappointments. The largest negative impacts came from **Initiator Pharma**, **Braincool**, **Sinch**, and **Vicore Pharma**, with the latter two no longer part of our portfolio. In retrospect, we were overly optimistic about the timeline for Initiator Pharma to secure a partnership agreement. Nevertheless, our view of its potential remains unchanged, and we have increased our position during the year. We invested in Braincool during the summer after its capital raise. Unfortunately, the company's limited communication and an inventory stock build-up ahead of production process changes put pressure on its share price. After the decline, we find the stock even more attractively valued.



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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

During the month, we met with companies including Neola Medical, Enea, KB Components, Bonesupport, and Lumarine.

Largest contributors

- > Online Brands - E-commerce
- > Lumarine - Fish farming
- > Ossdsign - MedTech
- > Stillfront - Mobile gaming
- > Bonesupport - MedTech

In December, we made our first investment in **Paxman**. Founded in 1997, the company is a global leader in scalp cooling, a technology used to prevent hair loss during cancer treatments. Paxman has over 5,000 installed systems in more than 65 countries and has treated over 100,000 patients. The company is experiencing rapid growth, with recurring revenues increasing by 29% in Q3, now accounting for over 60% of total revenues. Paxman is net cash positive, profitable, and cash flow positive. Growth is expected to accelerate further due to regulatory changes in the US, where private insurers in New York will be required to cover scalp cooling treatments starting in January 2026.

Closing Remarks

As always, we would like to thank our co-investors for their trust. We are very much aware of the fund's weaker performance in the second half of 2024 but remain confident 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	169.06				31/12/2024
Class C, SEK	2007.20				
Performance, %*		4.07	-13.36	69.06	
STIBOR 1M, %		0.23	3.51	7.31	
Std deviation, %*			21.74	19.51	
Sharpe ratio*			-0.61	0.39	

*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.

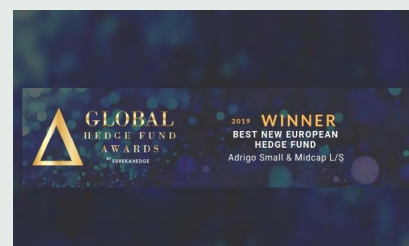
Management company

East Capital Asset Management S.A.

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Awards



Monthly performance (Class A)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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
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

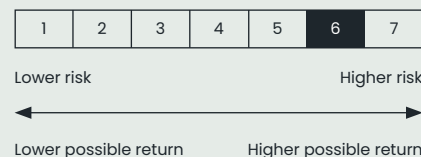
Fund facts

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.



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