

FONDITA NORDIC SMALL CAP INVESTMENT FUND

ANNUAL REPORT

31.12.2021

FONDITA NORDIC SMALL CAP INVESTMENT FUND

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Activity Report 2021

Fondita Nordic Small Cap Investment Fund began operations on September 10, 1997. It mainly invests in shares of publicly traded small- and midcap companies in North European countries.

The development of the fund is described in the following table:

	2021	2020	2019
Market value 31.12.	189 084 169,40	176 285 528,16	144 229 933,92
Unit value 31.12. (return / A)	88,88	80,37	66,28
Unit value 31.12. (growth / B)	278,36	239,74	188,12
Unit value 31.12. (growth / I)	282,96	241,89	188,21
Growth unit price change during period	16,1 %	27,4 %	27,3 %
Fiscal period profit	27 586 541,23	37 658 786,74	34 351 493,99
Management fees paid to Fund Company	3 725 832,83	2 814 042,92	2 812 140,33
A-unit returns	4,00	3,30	2,75
Turnover rate (times/year)	0,23	0,21	0,09
Volatility (%/year)	15,8	31,3	11,7
TER (Total Expense Ratio) A- and B-units	2,00 %	2,00 %	2,00 %
TER (Total Expense Ratio) I-units	1,20 %	1,20 %	1,20 %
Number of unitholders at end of period	452	451	459

During the year the fund has not participated in any shareholders' general meetings.

Thereby the right to vote has not been used.

SFDR classification of the fund: Article 8

The Board of Directors suggested that the A-units return will be 4,45 € / share.

The return is paid on February 10, 2022.

The Fund Company has during 2021 paid 1 956 918,05 euros in remuneration to the employees whereof 0,00 euros in variable remuneration.

executive management (CEO, deputy CEO and chairman of the board)

773 103,18 euro, no variable part

risk requiring actions (portfolio managers)

973 728,72 euro, no variable part

those who manage the internal supervisory functions (all members of the Risk Control Function, Compliance Function and Internal Control Function)

589 482,45 euro, no variable part

Note that some people may belong to several groups

INCOME STATEMENT 1.1.2021-31.12.2021

(euros)

REVENUE	1.1.-31.12.2021	1.1.-31.12.2020
Net profit from securities	28 048 373,63	37 844 352,69
Dividends	3 285 424,85	2 639 528,23
Total revenue	<u>31 333 798,48</u>	<u>40 483 880,92</u>
COSTS		
Commissions		
to the Fund Company	3 725 832,83	2 814 042,92
Interest fees	21 424,42	11 051,26
Total Costs	<u>3 747 257,25</u>	<u>2 825 094,18</u>
FISCAL PERIOD PROFIT	<u>27 586 541,23</u>	<u>37 658 786,74</u>

BALANCE SHEET 31.12.2021

(euros)

ASSETS	31.12.2021	31.12.2020
Current assets		
Current assets		
Market value of securities	183 148 408,35	173 911 063,02
Cash and bank deposits	6 232 389,09	2 876 043,62
TOTAL ASSETS	<u>189 380 797,44</u>	<u>176 787 106,64</u>
LIABILITIES AND SHAREHOLDER EQUITY	31.12.2021	31.12.2020
Fund value		
Fund value	189 084 169,40	176 285 528,16
Liabilities		
Current liabilities		
Purchased securities	0,00	227 397,28
Accruals	296 628,04	274 181,20
	<u>296 628,04</u>	<u>501 578,48</u>
TOTAL LIABILITIES AND EQUITY	<u>189 380 797,44</u>	<u>176 787 106,64</u>

Fondita Nordic Small Cap Investment Fund

Portfolio content 31.12.2021

Sweden	GICS	Shares	Price (euro)	Market value	50,91 %
Embracer Group	Communication	1 270 000	9,38	11 906 443,89	6,30 %
Hexatronic Group	Industrials	175 000	49,44	8 652 108,07	4,58 %
Lagercrantz Group B	IT	550 000	12,95	7 120 523,72	3,77 %
AFRY	Industrials	254 136	24,84	6 312 117,95	3,34 %
AAK	Consumer Staples	310 000	19,10	5 921 637,60	3,13 %
Elekta	Health Care	510 000	11,14	5 683 277,15	3,01 %
Fenix Outdoor Int.	Consumer Discretionary	44 000	118,62	5 219 209,54	2,76 %
Systemair	Industrials	508 800	10,06	5 118 077,09	2,71 %
Trelleborg	Industrials	210 000	23,26	4 885 534,22	2,58 %
BHG Group	Industrials	500 000	9,21	4 604 523,91	2,44 %
Synsam Group	Consumer Discretionary	600 000	7,48	4 490 693,24	2,37 %
Dometic Group	Consumer Discretionary	330 000	11,62	3 833 797,45	2,03 %
Hexpol B	Materials	300 000	11,83	3 549 758,17	1,88 %
Beijer Alma	Industrials	120 000	26,67	3 200 938,00	1,69 %
Medcap	Health Care	180 000	17,45	3 141 140,26	1,66 %
I.A.R Systems Group	IT	270 000	10,94	2 954 712,00	1,56 %
HMS Networks	IT	48 000	54,72	2 626 410,67	1,39 %
OEM International	Industrials	130 000	18,17	2 362 597,10	1,25 %
Cloetta	Consumer Staples	800 000	2,56	2 049 538,33	1,08 %
Cary Group	Consumer Discretionary	150 000	10,49	1 574 087,64	0,83 %
Tobii	IT	300 000	3,54	1 062 875,57	0,56 %
Finland	GICS	Shares	Price (euro)	Market value	25,40 %
Terveystalo	Health Care	565 000	11,88	6 712 200,00	3,55 %
Uponor	Industrials	285 000	20,90	5 956 500,00	3,15 %
Sanoma	Communication	421 348	13,70	5 772 467,60	3,05 %
Harvia	Consumer Discretionary	85 000	58,70	4 989 500,00	2,64 %
Kamux	Consumer Discretionary	380 000	11,48	4 362 400,00	2,31 %
Konecranes	Industrials	115 000	35,29	4 058 350,00	2,15 %
Metsä Board	Materials	450 000	8,59	3 865 500,00	2,04 %
Tokmanni Group	Consumer Discretionary	180 000	19,68	3 542 400,00	1,87 %
Caverion	Industrials	490 000	6,38	3 126 200,00	1,65 %
Huhtamäki	Materials	80 000	38,97	3 117 600,00	1,65 %
Revenio	Health Care	45 000	56,10	2 524 500,00	1,34 %
Norway	GICS	Shares	Price (euro)	Market value	18,64 %
Borregaard	Materials	341 141	22,29	7 604 814,13	4,02 %
Atea	IT	305 000	16,35	4 986 042,21	2,64 %
Veidekke	Industrials	350 000	13,21	4 625 148,11	2,45 %
Medistim	Health Care	108 853	39,61	4 312 102,96	2,28 %
Storebrand	Financials	450 000	8,82	3 970 136,36	2,10 %
Wilh. Wilhelmsen Holding	Industrials	150 000	20,28	3 042 596,35	1,61 %
Fjordkraft Holding	Energy	525 000	4,77	2 503 062,68	1,32 %
Crayon Group	IT	135 000	18,25	2 463 147,43	1,30 %
SATS	Consumer Discretionary	832 500	2,08	1 734 618,82	0,92 %
Denmark	GICS	Shares	Price (euro)	Market value	1,91 %
GN Store Nord	Health Care	65 000	55,52	3 609 120,13	1,91 %
Portfolio value				183 148 408,35	
Cash and other asset, net				5 935 761,05	3,14 %
Fund value				189 084 169,40	
Number of outstanding units					
Return units (A)			496 201,4196		
Growth units (B)			520 834,1839		
Growth units (I)			1,6616	1 017 037,2651	
Unit value					
Return unit value (A)				88,8842	
Growth unit value (B)				278,3597	
Growth unit value (I)				282,9622	

Fondita Nordic Small Cap Investment Fund

Securities' change in the portfolio 1.1.-31.12.2021

(%-points)

Sweden	-5,9	Denmark	-2,8
Hexatronic Group	4,6 *	GN Store Nord	-0,9 *
AFRY	3,3 *	Royal Unibrew	-1,9
Synsam Group	2,4 *		
Systemair	2,3 *	Finland	3,3
Beijer Alma	1,7 *	Uponor	3,2 *
OEM International	1,3 *	Harvia	2,6 *
Lagercrantz Group	1,2 *	Revenio	1,3 *
Cary Group	0,8 *	Sanoma	0,6 *
Hexpol	0,8 *	Konecranes	0,0 *
HMS Networks	0,7 *	Terveystalo	0,0 *
Trelleborg	0,4 *	Metsä Board	-0,2 *
Fenix Outdoor Int.	0,2 *	Kamux	-0,6 *
BHG Group	0,2 *	Tokmanni Group	-1,2 *
Dometic Group	-0,1 *	Caverion	-1,2 *
AAK	-0,2 *	Huhtamäki	-1,3 *
I.A.R. Systems Group	-0,3 *		
Tobii	-0,4 *	Norway	3,6
Medcap	-0,4 *	Fjordkraft Holding	1,3 *
Aspire Global	-0,6	Borregaard	1,0 *
Elekta	-0,6 *	Medistim	0,8 *
Cloetta	-0,8 *	Atea	0,7 *
Evolution Gaming	-1,4	Crayon Group	0,6 *
Stillfront	-1,6	Storebrand	0,4 *
Sinch	-1,7	Veidekke	0,3 *
Autoliv	-1,7	Wilh. Wilhelmsen Hold	0,3 *
Lifco	-1,8	SATS	-0,3 *
Thule Group	-2,3	Wallenius Wilh. Holdir	-1,5
AcadeMedia	-2,6		
Embracer Group	-2,7 *	Cash	1,8
Beijer Ref	-3,0		
ÅF Pöyry	-3,6		
Byggfakta Group	0,0		
Cint	0,0		
Kjell Group A	0,0		
Tobii Dynavox	0,0		

* = Current holding at 31.12.2021

INCOME STATEMENT APPENDIX 31.12.2021

(euros)

	31.12.2021	31.12.2020
Net profit of securities		
Sales profit of securities	29 598 205,49	15 502 563,21
Sales losses of securities	(-) 2 110 293,06	(-) 3 998 678,57
Unrealized gains	31 363 881,37	37 417 809,94
Unrealized losses	(-) 30 803 420,17	(-) 11 077 341,89
Total	<u>28 048 373,63</u>	<u>37 844 352,69</u>
Transactioncosts	142 319,23	100 808,92

BALANCE SHEET APPENDIX 31.12.2021

Fund value		
Fund value 1.1.	176 285 528,16	144 229 933,92
Unit subscriptions	17 609 231,98	13 917 597,33
Unit redemptions	(-) 30 485 779,98	(-) 17 863 991,53
Distribution of returns	(-) 1 911 351,99	(-) 1 656 798,30
Fiscal year profits	27 586 541,23	37 658 786,74
Fund value 31.12.	<u>189 084 169,40</u>	<u>176 285 528,16</u>

Helsinki 2 / 2 2022

CEO

A handwritten signature in black ink, appearing to read 'Markus Larsson', written in a cursive style.

Markus Larsson

This is an unofficial translation of the original in Swedish.



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working world

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AUDITOR'S REPORT (Translation of the Swedish original)

To Fondita Fund Management Company Ltd and to the unit holders of special mutual funds managed Fondita Fund Management Company Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fondita Fund Management Company Ltd (business identity code 0899688-5) and the mutual funds managed by Fondita Fund Management Company Ltd for the financial year ending 31.12.2021. The financial statements comprise the balance sheet, income statement, cash flow statement for the mutual fund company and notes.

In our opinion

- the financial statements of Fondita Fund Management Company Ltd give a true and fair view of the financial performance and financial position of the mutual fund company in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.
- the financial statements of the mutual funds managed by Fondita Fund Management Company Ltd give a true and fair view of the financial performance and financial position of the mutual funds in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements

The mutual funds managed by Fondita Fund Management Company Ltd are Fondita Equity Spice Placeringsfond, Fondita Nordic Small Cap Placeringsfond, Fondita 2000+ Placeringsfond, Fondita Nordic Micro Cap Placeringsfond, Fondita European Small Cap Placeringsfond, Fondita Sustainable Europe Placeringsfond, Fondita Healthcare Placeringsfond and Fondita European Micro Cap Placeringsfond.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company/mutual fund in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's/mutual fund's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company/mutual fund or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from

fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's/mutual fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's/mutual fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company/mutual fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 2.2.2022

Anders Svennas
Authorized Public Accountant

Robert Söderlund
Authorized Public Accountant