

FONDITA NORDIC SMALL CAP INVESTMENT FUND

ANNUAL REPORT

31.12.2022

FONDITA NORDIC SMALL CAP INVESTMENT FUND

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Activity Report 2022

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:

	2022	2021	2020
Market value 31.12.	120 703 332,21	189 084 169,40	176 285 528,16
Unit value 31.12. (return / A)	56,65	88,88	80,37
Unit value 31.12. (growth / B)	187,77	278,36	239,74
Unit value 31.12. (growth / I)	192,67	282,96	241,89
Growth unit price change during period	-32,5 %	16,1 %	27,4 %
Fiscal period profit	-60 642 294,37	27 586 541,23	37 658 786,74
Management fees paid to Fund Company	2 796 367,55	3 725 832,83	2 814 042,92
A-unit returns	4,45	4,00	3,30
Turnover rate (times/year)	0,17	0,23	0,21
Volatility (%/year)	29,2	15,8	31,3
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	447	452	451

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 2,85 € / share.

The return is paid on February 15, 2023.

The Fund Company has during 2022 paid 2 059 023,15 euros in remuneration to the employees whereof 0,00 euros in variable remuneration.

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

773 073,68 euro, no variable part

risk requiring actions (portfolio managers)

1 032 922,14 euro, no variable part

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

626 110,54 euro, no variable part

Note that some people may belong to several groups

INCOME STATEMENT 1.1.2022-31.12.2022

(euros)

REVENUE	1.1.-31.12.2022	1.1.-31.12.2021
Net profit from securities	-61 013 009,93	28 048 373,63
Dividends	3 185 690,34	3 285 424,85
Total revenue	<u>-57 827 319,59</u>	<u>31 333 798,48</u>
COSTS		
Commissions		
to the Fund Company	2 796 367,55	3 725 832,83
Interest fees	18 607,23	21 424,42
Total Costs	<u>2 814 974,78</u>	<u>3 747 257,25</u>
FISCAL PERIOD PROFIT	<u>-60 642 294,37</u>	<u>27 586 541,23</u>

BALANCE SHEET 31.12.2022

(euros)

ASSETS	31.12.2022	31.12.2021
Current assets		
Current assets		
Market value of securities	115 399 105,44	183 148 408,35
Cash and bank deposits	5 598 905,57	6 232 389,09
TOTAL ASSETS	<u>120 998 011,01</u>	<u>189 380 797,44</u>
LIABILITIES AND SHAREHOLDER EQUITY	31.12.2022	31.12.2021
Fund value		
Fund value	120 703 332,21	189 084 169,40
Liabilities		
Current liabilities		
Purchased securities	92 288,35	0,00
Accruals	202 390,45	296 628,04
	<u>294 678,80</u>	<u>296 628,04</u>
TOTAL LIABILITIES AND EQUITY	<u>120 998 011,01</u>	<u>189 380 797,44</u>

Fondita Nordic Small Cap Investment Fund

Portfolio content 31.12.2022

Sweden	GICS	Shares	Price (euro)	Market value	53,96 %
Hexatronic Group	Industrials	400 000	12,73	5 090 902,55	4,22 %
AAK	Consumer Staples	310 000	15,99	4 957 246,13	4,11 %
Embracer Group	Communication	1 100 000	4,25	4 677 210,52	3,87 %
Bufab	Industrials	216 203	21,04	4 548 859,18	3,77 %
AFRY	Industrials	254 136	15,37	3 905 109,10	3,24 %
Trelleborg	Industrials	170 000	21,65	3 680 699,17	3,05 %
I.A.R Systems Group	IT	270 000	13,52	3 651 207,54	3,02 %
Medcap	Health Care	180 000	19,47	3 503 929,22	2,90 %
Fenix Outdoor Int.	Consumer Discretionary	44 000	76,61	3 370 677,41	2,79 %
Systemair	Industrials	508 800	6,46	3 284 705,71	2,72 %
Lagercrantz Group B	IT	340 000	9,29	3 157 942,06	2,62 %
Elekta	Health Care	550 000	5,65	3 105 612,40	2,57 %
NCAB Group	IT	500 000	5,84	2 919 941,02	2,42 %
OX2	Industrials	325 000	7,91	2 570 065,10	2,13 %
Synsam Group	Consumer Discretionary	600 000	3,55	2 132 028,99	1,77 %
Dometic Group	Consumer Discretionary	330 000	6,05	1 996 295,56	1,65 %
AddLife	Health Care	185 000	9,76	1 806 452,19	1,50 %
Beijer Alma	Industrials	120 000	14,69	1 763 023,97	1,46 %
OEM International	Industrials	260 000	6,50	1 690 194,03	1,40 %
Instalco	Industrials	450 000	3,56	1 603 472,46	1,33 %
HMS Networks	IT	48 000	30,53	1 465 662,03	1,21 %
Note	IT	15 421	16,09	248 193,55	0,21 %
Finland	GICS	Shares	Price (euro)	Market value	21,01 %
Uponor	Industrials	285 000	16,61	4 733 850,00	3,92 %
Metsä Board	Material	400 000	8,77	3 506 000,00	2,90 %
Sanoma	Kommunikation	300 000	9,82	2 946 000,00	2,44 %
Terveystalo	Health Care	430 000	6,25	2 687 500,00	2,23 %
Huhtamäki	Material	80 000	32,00	2 560 000,00	2,12 %
Tokmanni Group	Consumer Discretionary	180 000	11,29	2 032 200,00	1,68 %
Konecranes	Industrials	70 000	28,76	2 013 200,00	1,67 %
Revenio	Health Care	45 000	38,60	1 737 000,00	1,44 %
Kamux	Consumer Discretionary	380 000	4,33	1 645 400,00	1,36 %
Harvia	Consumer Discretionary	85 000	17,68	1 502 800,00	1,25 %
Norway	GICS	Shares	Price (euro)	Market value	16,86 %
Borregaard	Materials	319 419	14,46	4 617 901,04	3,83 %
Wilh. Wilhelmsen Holding	Industrials	150 000	24,92	3 737 944,42	3,10 %
Storebrand	Finans	450 000	8,12	3 655 196,03	3,03 %
Atea	IT	285 000	10,84	3 090 224,28	2,56 %
Crayon Group	IT	300 000	9,52	2 856 246,08	2,37 %
Medistim	Health Care	108 953	21,97	2 393 819,84	1,98 %
Denmark	GICS	Shares	Price (euro)	Market value	3,77 %
Össur	Health Care	700 000	4,51	3 158 071,67	2,62 %
GN Store Nord	Health Care	65 000	21,48	1 396 322,19	1,16 %
Portfolio value				115 399 105,44	
Cash and other asset, net				5 304 226,77	4,39 %
Fund value				120 703 332,21	
Number of outstanding units					
Return units (A)			522 679,8961		
Growth units (B)			485 137,4889		
Growth units (I)			1,6616	1 007 819,0466	
Unit value					
Return unit value (A)				56,6467	
Growth unit value (B)				187,7713	
Growth unit value (I)				192,6697	

Fondita Nordic Small Cap Investment Fund

Securities' change in the portfolio 1.1.-31.12.2022

(%-points)

Sweden	3,0	Denmark	1,9
Bufab	3,8 *	GN Store Nord	-0,8 *
NCAB Group	2,4 *	Össur	2,6 *
OX2	2,1 *		
AddLife	1,5 *	Finland	-4,4
I.A.R. Systems Group	1,5 *	Metsä Board	0,9 *
Instalco	1,3 *	Uponor	0,8 *
Medcap	1,2 *	Huhtamäki	0,5 *
AAK	1,0 *	Revenio	0,1 *
Trelleborg	0,5 *	Tokmanni Group	-0,2 *
Note	0,2 *	Konecranes	-0,5 *
OEM International	0,2 *	Sanoma	-0,6 *
Fenix Outdoor Int.	0,0 *	Kamux	-1,0 *
Systemair	0,0 *	Terveystalo	-1,3 *
AFRY	-0,1 *	Harvia	-1,4 *
HMS Networks	-0,2 *	Caverion	-1,7
Beijer Alma	-0,2 *		
Hexatronic Group	-0,4 *	Norway	-1,8
Dometic Group	-0,4 *	Wilh. Wilhelmsen Holc	1,5 *
Elekta	-0,4 *	Crayon Group	1,1 *
Tobii	-0,6	Storebrand	0,9 *
Synsam Group	-0,6 *	Atea	-0,1 *
Cary Group	-0,8	Borregaard	-0,2 *
Cloetta	-1,1	Medistim	-0,3 *
Lagercrantz Group	-1,2 *	SATS	-0,9
Hexpol	-1,9	Fjordkraft Holding	-1,3
Embracer Group	-2,4 *	Veidekke	-2,5
BHG Group	-2,4		
		Cash	1,3

* = Current holding at 31.12.2022

INCOME STATEMENT APPENDIX 31.12.2022

(euros)

	31.12.2022	31.12.2021
Net profit of securities		
Sales profit of securities	8 226 169,53	29 598 205,49
Sales losses of securities	(-) 12 149 705,65	(-) 2 110 293,06
Unrealized gains	6 520 807,88	31 363 881,37
Unrealized losses	(-) 63 610 281,69	(-) 30 803 420,17
Total	<u>-61 013 009,93</u>	<u>28 048 373,63</u>
Transaction costs	83 775,30	142 319,23

BALANCE SHEET APPENDIX 31.12.2022

Fund value

Fund value 1.1.	189 084 169,40	176 285 528,16
Unit subscriptions	3 379 206,08	17 609 231,98
Unit redemptions	(-) 8 895 809,83	(-) 30 485 779,98
Distribution of returns	(-) 2 221 939,07	(-) 1 911 351,99
Fiscal year profits	<u>-60 642 294,37</u>	<u>27 586 541,23</u>
Fund value 31.12.	<u>120 703 332,21</u>	<u>189 084 169,40</u>

Helsinki 28.2.2023

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

Markus Larsson, CEO

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 31.12.2022. 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 Nordic Small Cap Placeringsfond, Fondita Global Megatrends Placeringsfond (former Fondita 2000+ Placeringsfond), Fondita Nordic Micro Cap Placeringsfond, Fondita European Small Cap Placeringsfond, Fondita Sustainable Europe Placeringsfond, Fondita Healthcare Placeringsfond, Fondita Finland Micro Cap Placeringsfond (former Fondita Equity Spice 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 6.2.2023

Anders Svennas
Authorized Public Accountant

Robert Söderlund
Authorized Public Accountant