

FONDITA SUSTAINABLE EUROPE INVESTMENT FUND

ANNUAL REPORT

31.12.2021

FONDITA SUSTAINABLE EUROPE INVESTMENT FUND

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Activity Report 2021

Fondita Sustainable Europe Investment Fund began operations on May 19, 2011. It mainly invests in companies that through their activities promote sustainable development. (The funds name and investment focus changed May 19, 2019. The funds earlier name was Fondita European Top Picks Investment Fund)

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

	2021	2020	2019
Market value 31.12.	148 133 500,61	108 384 700,33	29 549 512,38
Unit value 31.12. (return / A)	168,44	164,50	121,86
Unit value 31.12. (growth / B)	278,05	258,63	182,65
Unit value 31.12. (growth / I)	282,72	260,91	182,74
Unit value 31.12. (growth / X)	280,56	-	-
Unit value 31.12. (growth / SEK R)	104,89	-	-
Growth unit price change during period	7,5 %	41,6 %	40,0 %
Fiscal period profit	9 350 818,67	26 408 675,50	7 252 712,84
Management fees paid to Fund Company	2 751 308,55	985 239,63	439 706,49
A-unit returns	8,25	6,10	4,55
Turnover rate (times/year)	0,53	0,63	0,81
Volatility (%/year)	20,1	32,1	12,3
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 %
TER (Total Expense Ratio) X-units	1,00 %	-	-
TER (Total Expense Ratio) SEK R-units	1,50 %	-	-
Number of unitholders at end of period	458	388	259

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 9

The Board of Directors suggested that the A-units return will be 8,40€ / 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	10 601 784,11	27 018 551,00
Dividends	1 520 928,23	383 594,41
Total revenue	<u>12 122 712,34</u>	<u>27 402 145,41</u>
COSTS		
Commissions to the Fund Company	2 751 308,55	985 239,63
Interest fees	20 585,12	8 230,28
Total Costs	<u>2 771 893,67</u>	<u>993 469,91</u>
FISCAL PERIOD PROFIT	<u>9 350 818,67</u>	<u>26 408 675,50</u>

BALANCE SHEET 31.12.2021

(euros)

ASSETS	31.12.2021	31.12.2020
Current assets		
Current assets		
Market value of securities	143 021 265,28	106 471 322,81
Cash and bank deposits	5 300 864,89	2 743 599,75
Receivables		
Dividends	43 926,10	24 655,38
	0,00	4 653,04
	<u>43 926,10</u>	<u>29 308,42</u>
TOTAL ASSETS	<u>148 366 056,27</u>	<u>109 244 230,98</u>
LIABILITIES AND SHAREHOLDER EQUITY		
	31.12.2021	31.12.2020
Fund value		
Fund value		
Liabilities	148 133 500,61	108 384 700,33
Current liabilities		
Purchased securities		
Accruals	0,00	578 067,58
	232 555,66	281 463,07
	<u>232 555,66</u>	<u>859 530,65</u>
TOTAL LIABILITIES AND EQUITY	<u>148 366 056,27</u>	<u>109 244 230,98</u>

Fondita Sustainable Europe Investment Fund

Portfolio content 31.12.2021

Sweden	GICS	Shares	Price (euro)	Market value	11,68 %
Hexagon	IT	385 000	14,16	5 452 708,97	3,68 %
Afry	Industrials	131 938	24,84	3 277 017,89	2,21 %
Nibe	Industrials	242 973	13,35	3 244 150,71	2,19 %
Eolus Vind AB	Industrials	160 000	12,10	1 936 196,20	1,31 %
Powercell Sweden AB	Energy	97 583	18,20	1 775 839,93	1,20 %
Scan. Biogas Fuels	Energy	597 001	2,70	1 609 968,99	1,09 %
Netherlands	GICS	Shares	Price (euro)	Market value	8,93 %
Alfen	Industrials	55 000	86,00	4 730 000,00	3,19 %
Corbion	Materials	86 094	41,30	3 555 682,20	2,40 %
Signify	Consumer Staples	70 000	41,44	2 900 800,00	1,96 %
SIF Holding	Industrials	168 553	12,10	2 039 491,30	1,38 %
Italy	GICS	Shares	Price (euro)	Market value	2,69 %
Prysmian SPA	Industrials	120 000	33,20	3 984 000,00	2,69 %
Finland	GICS	Shares	Price (euro)	Market value	5,73 %
Vaisala	IT	110 349	53,80	5 936 776,20	4,01 %
Kempower	Consumer Discretionary	225 294	11,35	2 557 086,90	1,73 %
Germany	GICS	Shares	Price (euro)	Market value	14,24 %
Verbio	Industrials	144 135	61,00	8 792 235,00	5,94 %
Infineon	IT	100 000	40,67	4 067 000,00	2,75 %
Befesa	Industrials	44 165	67,10	2 963 471,50	2,00 %
Evonik	Materials	100 000	28,51	2 851 000,00	1,92 %
2G Energy	Industrials	23 000	105,20	2 419 600,00	1,63 %
Denmark	GICS	Shares	Price (euro)	Market value	13,42 %
Ørsted	Energy	67 000	112,72	7 552 062,18	5,10 %
Rockwool Int B	Industrials	15 000	384,20	5 762 946,63	3,89 %
Novozymes B	Materials	64 631	72,59	4 691 555,45	3,17 %
Vestas Wind Systems	Industrials	70 000	26,68	1 867 595,44	1,26 %
France	GICS	Shares	Price (euro)	Market value	6,38 %
Schneider Electric	Industrials	35 000	173,12	6 059 200,00	4,09 %
Alstom	Industrials	110 000	30,81	3 389 100,00	2,29 %
Norway	GICS	Shares	Price (euro)	Market value	8,97 %
Borregaard	Materials	250 000	22,29	5 573 072,52	3,76 %
Scatec	Energy	290 000	15,14	4 389 924,29	2,96 %
Zaptec	Industrials	350 000	6,01	2 105 215,59	1,42 %
Quantafuel	Industrials	380 000	3,22	1 224 870,97	0,83 %
Spain	GICS	Shares	Price (euro)	Market value	4,61 %
Construcciones	Industrials	77 000	36,55	2 814 350,00	1,90 %
Siemens Gamesa	Industrials	117 164	21,19	2 482 705,16	1,68 %
Solaria Energia	Energy	90 000	17,08	1 537 200,00	1,04 %
Belgium	GICS	Shares	Price (euro)	Market value	6,85 %
Recticel	Materials	250 897	17,78	4 460 948,66	3,01 %
Umicore	Materials	100 000	35,69	3 569 000,00	2,41 %
Ekopak	Energy	119 300	17,76	2 118 768,00	1,43 %

Switzerland	GICS	Shares	Price (euro)	Market value	3,25 %
Logitech	IT	65 000	74,12	4 817 927,44	3,25 %
Great Britain	GICS	Shares	Price (euro)	Market value	9,80 %
Johnson Matthey	Materials	189 494	24,74	4 687 673,31	3,16 %
Genuit	Industrials	450 227	7,08	3 186 783,10	2,15 %
Pod Point	Industrials	946 306	3,12	2 952 131,92	1,99 %
Ceres Power	Energy	207 234	11,47	2 376 819,89	1,60 %
Ilika	Industrials	600 000	2,18	1 308 388,94	0,88 %
Portfolio value				143 021 265,28	
Cash and other asset, net				5 112 235,33	3,45 %
Fund value				148 133 500,61	
Number of outstanding units					
Return units (A)			376 510,9971		
Growth units (B)			282 309,3311		
Growth units (I)			12 411,0095		
Growth units (X)			5 795,1318		
Growth units (SEK R)			105 654,9211	782 681,3906	
Unit value					
Return unit value (A)				168,4443	
Growth unit value (B)				278,0456	
Growth unit value (I)				282,7185	
Growth unit value (X)				280,5553	
Growth unit value (SEK R)				104,8913	

Fondita Sustainable Europe Investment Fund

Securities' change in the portfolio 1.1.-31.12.2021

(%-points)

Sweden	0,2	France	-1,0
AFRY	2,2 *	Alstom	-1,2 *
NIBE	2,2 *	Schneider Electric	0,2 *
Hexagon	1,3 *		
Scandinavian Biogas Fuels	-0,2 *	Norway	-0,1
Powercell Sweden	-0,5 *	Zaptec	1,4 *
Eolus Vind	-0,9 *	Borregaard	1,3 *
ABB	-1,9	Quantafuel	-0,3 *
ÅF Pöyry	-1,9	Pexip Holding	-1,0
CTEK	0,0	Scatec Solar	-1,5 *
		Aker Carbon Capture	0,0
Netherlands	-0,2	Huddly	0,0
Alfen	1,0 *		
Signify	-0,3 *	Spain	-2,4
Corbion	-0,5 *	Solaria Energia	1,0 *
SIF Holding	-0,5 *	Construcciones	-0,4 *
		Siemens Gamesa	-3,1 *
Finland	-3,9		
Kempower	1,7 *	Austria	0,0
Vaisala	1,4 *	Verbund	0,0
Wärtsilä	-2,8		
UPM-Kymmene	-4,2	Belgium	1,9
Spinnova	0,0	Ekopak	1,4
		Recticel	1,3 *
Germany	0,7	Umicore	-0,9 *
Verbio	5,9 *		
2G Energy	1,6 *	Great Britain	1,2
Evonik	-0,1 *	Genuit	2,2 *
Infineon	-0,2 *	Pod Point	2,0 *
Compleo Charging Solutions	-1,8	Ilika	0,9 *
Befesa	-2,4 *	Johnson Matthey	-0,2 *
Varta	-2,5	Ceres Power	-1,4
		Polypipe	-2,2 *
Denmark	3,3		
Rockwool Int B	3,9 *	Italien	-0,5
Novozymes B	3,2 *	Prysmian	-0,5
Ørsted	1,2 *		
Vestas Wind Systems	-4,9 *	Cash	1,7
Switzerland	-0,8		
Logitech	-0,8 *		

* = Current holding at 31.12.2021

INCOME STATEMENT APPENDIX 31.12.2021

(euros)	31.12.2021	31.12.2020
Net profit of securities	19 020 975,44	8 509 577,08
Sales profit of securities	(-) 991 170,53	(-) 1 425 099,65
Sales losses of securities	19 146 474,77	22 539 752,19
Unrealized gains	(-) 26 574 495,57	(-) 2 605 678,62
Unrealized losses	<u>10 601 784,11</u>	<u>27 018 551,00</u>
Total		
Transactioncosts	277 881,19	189 561,90

BALANCE SHEET APPENDIX 31.12.2021

Fund value		
Fund value 1.1.	108 384 700,33	29 549 512,38
Unit subscriptions	49 624 387,59	56 282 194,71
Unit redemptions	(-) 16 518 179,61	(-) 3 509 315,05
Distribution of returns	(-) 2 708 226,37	(-) 346 367,21
Fiscal year profits	9 350 818,67	26 408 675,50
Fund value 31.12.	<u>148 133 500,61</u>	<u>108 384 700,33</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