

FONDITA NORDIC MICRO CAP INVESTMENT FUND

ANNUAL REPORT

31.12.2022

FONDITA NORDIC MICRO CAP INVESTMENT FUND

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Activity Report 2022

The Fondita Nordic Micro Cap Investment Fund began operations on August 29, 2006. It mainly invests in shares of publicly traded micro cap companies in North European countries.

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

	2022	2021	2020
Market value 31.12.	98 904 727,79	159 845 111,69	131 660 933,47
Unit value 31.12. (return / A)	165,33	267,55	216,20
Unit value 31.12. (growth / B)	371,84	567,72	437,25
Unit value 31.12. (growth / I)	381,05	577,13	440,96
Unit value 31.12. (growth / SEK R)	82,13	114,99	-
Growth unit price change during period	-34,5 %	29,8 %	31,3 %
Fiscal period profit	-55 230 216,09	38 711 379,49	30 156 440,62
Management fees paid to Fund Company	2 331 518,04	2 985 479,75	1 965 153,04
A-unit returns	13,4	10,8	8,65
Turnover rate (times/year)	0,16	0,33	0,28
Volatility (%/year)	27,6	16,7	28,3
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) SEK R-units	1,50 %	1,50 %	-
Number of unitholders at end of period	421	416	409

During the year the fund has participated 3.5.2021 in Elos Medtech's general meeting and used the right to vote, to promote the interests of the unit holders.

SFDR classification of the fund: Article 8

The Board of Directors suggested that the A-units return will be 8,25 € / 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)

	1.1.-31.12.2022	1.1.-31.12.2021
REVENUE		
Net profit from securities	-54 321 494,30	40 385 870,96
Dividends	1 439 197,99	1 333 293,92
Total revenue	<u>-52 882 296,31</u>	<u>41 719 164,88</u>
COSTS		
Commissions		
till Fondbolaget	2 331 518,04	2 985 479,75
Interest fees	16 401,74	22 305,64
Total Costs	<u>2 347 919,78</u>	<u>3 007 785,39</u>
FISCAL PERIOD PROFIT	<u>-55 230 216,09</u>	<u>38 711 379,49</u>

BALANCE SHEET 31.12.2021

(euros)

ASSETS	31.12.2022	31.12.2021
Current assets		
Current assets		
Market value of securities	96 512 215,70	156 569 664,03
Receivables		
Sold securities	265 464,00	0,00
	<u>265 464,00</u>	<u>0,00</u>
Cash and bank deposits	2 295 075,63	3 525 697,63
TOTAL ASSETS	<u>99 072 755,33</u>	<u>160 095 361,66</u>
 LIABILITIES AND SHAREHOLDER EQUITY		
	31.12.2022	31.12.2021
Fund value		
Fund value	98 904 727,79	159 845 111,69
Liabilities		
Current liabilities		
Purchased securities	0,00	0,00
Accruals	168 027,54	250 249,97
	<u>168 027,54</u>	<u>250 249,97</u>
TOTAL LIABILITIES AND EQUITY	<u>99 072 755,33</u>	<u>160 095 361,66</u>

Fondita Nordic Micro Cap Investment Fund

Portfolio content 31.12.2022

Sweden	GICS	Shares	Price (euro)	Market value	47,38 %
Concentric	Industrials	270 000	17,55	4 738 801,27	4,79 %
Proact IT Group	IT	564 000	7,46	4 209 030,91	4,26 %
Addvise B	Health Care	6 000 000	0,67	3 992 159,54	4,04 %
Nederman Holding	Industrials	247 303	15,50	3 833 465,55	3,88 %
Enea	IT	450 000	7,74	3 483 698,68	3,52 %
Tobii Dynavox	IT	1 700 000	1,92	3 257 296,48	3,29 %
Hexatronic Group	Industrials	250 000	12,73	3 181 814,09	3,22 %
Rejlers	Industrials	230 000	12,32	2 833 174,49	2,86 %
Sdiptech B	IT	130 000	20,32	2 641 658,72	2,67 %
Hanza Holding	IT	560 000	4,59	2 572 964,81	2,60 %
Cavotec	Industrials	2 000 000	1,21	2 427 664,59	2,45 %
Boozt	Consumer Discretionary	200 000	10,82	2 163 318,89	2,19 %
Seafire	Financials	985 000	1,83	1 797 865,45	1,82 %
Swedencare	Consumer Discretionary	600 000	2,76	1 658 904,13	1,68 %
Eolus Vind	Industrials	160 000	9,49	1 519 178,55	1,54 %
Humble Group	Materials	1 600 000	0,88	1 404 808,57	1,42 %
Fenix Outdoor Int.	Consumer Discretionary	15 000	76,61	1 149 094,57	1,16 %
Finland	GICS	Shares	Price (euro)	Market value	27,35 %
Pihlajalinna	Health Care	430 000	8,52	3 663 600,00	3,70 %
Kempower	Consumer Discretionary	154 412	21,22	3 276 622,64	3,31 %
Gofore	IT	145 000	22,20	3 219 000,00	3,25 %
Detection Technology	IT	186 000	16,90	3 143 400,00	3,18 %
F-Secure	IT	850 000	2,83	2 405 500,00	2,43 %
Talenom	Industrials	230 000	9,10	2 093 000,00	2,12 %
Orthex	Consumer Discretionary	328 500	4,68	1 535 737,50	1,55 %
Musti Group	Consumer Discretionary	90 000	15,61	1 404 900,00	1,42 %
Relais Group	Consumer Discretionary	130 000	10,20	1 326 000,00	1,34 %
Kamux	Consumer Discretionary	300 000	4,33	1 299 000,00	1,31 %
WithSecure	IT	850 000	1,37	1 167 050,00	1,18 %
Bittium	IT	290 000	3,98	1 152 750,00	1,17 %
Duell	Consumer Discretionary	430 000	2,14	920 200,00	0,93 %
QT Group	Materials	10 000	44,50	445 000,00	0,45 %
Norway	GICS	Shares	Price (euro)	Market value	7,94 %
Europris	Consumer Staples	470 000	6,53	3 068 871,39	3,10 %
Envipco	Industrials	941 756	3,19	3 000 706,31	3,03 %
Zaptec	Industrials	770 000	2,05	1 580 456,16	1,60 %
Volue	IT	77 417	2,68	207 278,87	0,21 %
Large companies	GICS	Shares	Price (euro)	Market value	14,90 %
AstraZeneca (SE)	Health Care	25 000	126,19	3 154 840,04	3,19 %
Novo Nordisk (DK)	Health Care	25 000	126,13	3 153 365,16	3,19 %
Metso Outotec (FI)	Industrials	310 000	9,61	2 979 720,00	3,01 %
Essity (SE)	Consumer Staples	100 000	24,57	2 457 336,04	2,48 %
Stora Enso (FI)	Materials	150 000	13,15	1 972 500,00	1,99 %
Embracer Group (SE)	Communication	240 000	4,25	1 020 482,30	1,03 %
Portfolio value				96 512 215,70	
Cash and other asset, net				2 392 512,09	2,42 %
Fund value				98 904 727,79	
Number of outstanding units					
Return units (A)			75 635,2280		
Growth units (B)			224 297,8972		
Growth units (I)			5 846,9474		
Growth units (SEK R)			104 276,0112	410 056,0838	
Unit value					
Return unit value (A)				165,3258	
Growth unit value (B)				371,8372	
Growth unit value (I)				381,0485	
Growth unit value (SEK R)				82,1267	

Fondita Nordic Micro Cap Investment Fund

Securities' change in the portfolio 1.1.-31.12.2022

(%-points)

Sweden	-3,0	Finland	-2,8
Hanza Holding	2,6 *	F-Secure	2,4 *
Tobii Dynavox	2,1 *	Kempower	2,2 *
Seafire	1,8 *	WithSecure	1,2 *
Proact IT Group	1,2 *	Gofore	1,1 *
ADDvise B	1,0 *	Talenom	0,7 *
Rejlers	0,8 *	Bittium	0,2 *
Eolus Vind	0,5 *	Pihlajalinna	0,0 *
Nederman Holding	0,5 *	Detection Tech.	-0,2 *
Concentric	0,2 *	Musti Group	-0,3 *
Fenix Outdoor Int.	0,1 *	QT Group	-0,4 *
Boozt	0,0 *	Orthex	-0,7 *
Cavotec	-0,5 *	Relais Group	-0,8 *
RugVista Group	-0,6	Kamux	-0,8 *
Enea	-0,7 *	Duell	-1,1 *
Boule Diagnostics	-1,1	Puulo	-1,2
Enad Global 7	-1,2	Robit	-2,5
Sdiptech	-1,2 *	Olvi	-2,6
Humble	-1,3 *		
Thunderful Group	-2,0	Large companies	3,6
Hexatronic Group	-2,2 *	AstraZeneca (SE)	0,9 *
Swedencare	-3,0 *	Embracer (SE)	-0,4 *
		Essity (SE)	0,7 *
Norway	2,0	Metso Outotec (FI)	1,2 *
Envipco	3,0 *	Novo Nordisk (DK)	0,9 *
Europris	1,0 *	Stora Enso (FI)	0,3 *
Volue	-0,1 *		
Zaptec	-0,8 *		
Nordic Unmanned	-1,3	Cash	0,4

* = 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	10 017 436,37	35 341 058,82
Sales losses of securities	(-) 13 581 487,41	(-) 5 424 247,92
Unrealized gains	9 520 269,71	31 709 212,17
Unrealized losses	(-) 60 277 712,97	(-) 21 240 152,11
Total	<u>-54 321 494,30</u>	<u>40 385 870,96</u>
Transaction costs	48 350,10	130 997,45

BALANCE SHEET APPENDIX 31.12.2022

Fund value

Fund value 1.1.	159 845 111,69	131 660 933,47
Unit subscriptions	5 062 784,08	27 501 738,70
Unit redemptions	(-) 9 792 580,26	(-) 37 100 894,01
Distribution of returns	(-) 980 371,63	(-) 928 045,96
Fiscal year profits	-55 230 216,09	38 711 379,49
Fund value 31.12.	<u>98 904 727,79</u>	<u>159 845 111,69</u>

Helsinki 28.2.2023

A handwritten signature in black ink, appearing to read 'M Larsson', with a long, sweeping horizontal stroke at the end.

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