

FONDITA EUROPEAN MICRO CAP INVESTMENT FUND

ANNUAL REPORT

31.12.2022

FONDITA EUROPEAN MICRO CAP INVESTMENT FUND

TABLE OF CONTENTS

page

Activity Report	1
Income Statement	2
Balance Sheet	3
Appendix	6

Activity Report 2022

Fondita European Micro Cap Investment Fund began operations on March 7, 2017.
The fund mainly invests in shares of publicly traded small cap companies in Europe.

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

	2022	2021	2020
Market value 31.12.	35 252 969,65	55 727 800,83	35 042 187,52
Unit value 31.12. (return / A)	104,64	170,94	124,03
Unit value 31.12. (growth / B)	133,95	206,72	143,19
Growth unit price change during period	-35,2 %	44,4 %	20,3 %
Fiscal period profit	-19 282 581,42	15 947 636,30	6 144 650,47
Management fees paid to Fund Company	827 178,39	924 924,86	678 699,77
A-unit returns	8,55	6,20	5,40
Turnover rate (times/year)	0,23	0,45	0,43
Volatility (%/year)	22,0	15,1	27,7
TER (Total Expense Ratio)	2,00 %	2,00 %	2,00 %
Number of unitholders at end of period	264	253	215

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 5,25 € / 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)

REVENUE	1.1.-31.12.2022	1.1.-31.12.2021
Net profit from securities	-18 865 339,08	16 581 840,89
Dividends	416 335,35	295 975,87
Total revenue	<u>-18 449 003,73</u>	<u>16 877 816,76</u>
COSTS		
Commissions to the Fund Company	827 178,39	924 924,86
Interest fees	6 399,30	5 255,60
Total Costs	<u>833 577,69</u>	<u>930 180,46</u>
FISCAL PERIOD PROFIT	<u>-19 282 581,42</u>	<u>15 947 636,30</u>

BALANCE SHEET 31.12.2022

(euros)

ASSETS	31.12.2022	31.12.2021
Current assets		
Current assets		
Market value of securities	34 589 292,09	54 585 904,64
Receivables		
Dividends	0,00	6 110,31
Sold securities	0,00	167 181,90
	<u>0,00</u>	<u>173 292,21</u>
Cash and bank deposits	722 687,92	1 217 906,02
TOTAL ASSETS	<u>35 311 980,01</u>	<u>55 977 102,87</u>
 LIABILITIES AND SHAREHOLDER EQUITY		
	31.12.2022	31.12.2021
Fund value		
Fund value	35 252 969,65	55 727 800,83
 Liabilities		
Current liabilities		
Purchased securities	0,00	162 870,82
Accruals	59 010,36	86 431,22
	<u>59 010,36</u>	<u>249 302,04</u>
TOTAL LIABILITIES AND EQUITY	<u>35 311 980,01</u>	<u>55 977 102,87</u>

Fondita European Micro Cap Investment Fund

Portfolio content 31.12.2022

Germany	GICS	Shares	Price (euro)	Market value	35,68 %
Datagroup	IT	27 085	63,00	1 706 355,00	4,84 %
Nexus	Health care	30 567	55,80	1 705 638,60	4,84 %
Pharmasgp Holding	Health care	61 000	26,60	1 622 600,00	4,60 %
2G Energy	Industrials	49 600	23,45	1 163 120,00	3,30 %
PVA Tepla	Industrials	60 597	18,56	1 124 680,32	3,19 %
Medios	Health care	58 214	17,50	1 018 745,00	2,89 %
Steico	Industrials	23 363	43,15	1 008 113,45	2,86 %
Nabaltec	Materials	37 958	26,20	994 499,60	2,82 %
Init Innov. Traffic Systems	IT	34 000	25,45	865 300,00	2,45 %
Technotrans	Industrials	21 045	25,45	535 595,25	1,52 %
Eckert & Ziegler	Health care	10 500	46,40	487 200,00	1,38 %
Clearvise	Utilities	142 739	2,42	345 428,38	0,98 %
Geat Britain	GICS	Shares	Price (euro)	Market value	16,37 %
Marlowe	Industrials	241 104	5,30	1 277 653,03	3,62 %
Volution Group	Industrials	267 110	4,12	1 099 242,89	3,12 %
Boku	IT	660 000	1,57	1 038 075,16	2,94 %
NCC Group	IT	420 000	2,25	947 087,14	2,69 %
Animalcare Group	Consumer Discretionary	350 748	2,57	899 678,33	2,55 %
Ergomed	Health care	35 500	14,34	509 126,99	1,44 %
Sweden	GICS	Shares	Price (euro)	Market value	12,82 %
Advise Group B	Health care	2 006 593	0,67	1 335 106,57	3,79 %
Sdiptech	IT	60 000	20,32	1 219 227,10	3,46 %
Enea	IT	115 005	7,74	890 317,26	2,53 %
Eolus Vind	Health care	66 000	9,49	626 661,15	1,78 %
Humble Group	Materials	510 000	0,88	447 782,73	1,27 %
Italy	GICS	Shares	Price (euro)	Market value	10,29 %
Pharmanutra	Consumer Staples	28 994	62,30	1 806 326,20	5,12 %
Indel	Consumer Discretionary	43 269	25,10	1 086 051,90	3,08 %
Piovan	Industrials	91 130	8,08	736 330,40	2,09 %
Finland	GICS	Shares	Price (euro)	Market value	6,91 %
Detection Technology	IT	48 330	16,90	816 777,00	2,32 %
Orthex	Consumer Discretionary	140 150	4,68	655 201,25	1,86 %
Solwers	Industrials	127 526	4,22	538 159,72	1,53 %
Duell	Consumer Discretionary	198 540	2,14	424 875,60	1,21 %
Switzerland	GICS	Shares	Price (euro)	Market value	4,17 %
Coltene Holding	Health care	18 993	77,38	1 469 753,83	4,17 %
France	GICS	Shares	Price (euro)	Market value	2,30 %
Focus Home Interactive	Consumer Discretionary	17 806	45,60	811 953,60	2,30 %
Netherlands	GICS	Shares	Price (euro)	Market value	2,06 %
Nedap	IT	13 187	55,00	725 285,00	2,06 %
Belgium	GICS	Shares	Price (euro)	Market value	1,60 %
Ekopak	Energy	32 538	17,30	562 907,40	1,60 %
Norway	GICS	Shares	Price (euro)	Market value	0,74 %
Zaptec	Industrials	127 000	2,05	260 672,64	0,74 %
Large companies	GICS	Shares	Price (euro)	Market value	5,18 %
Novo Nordisk	IT	5 000	126,13	630 673,03	1,79 %
Siegfried	Health care	800	623,03	498 425,92	1,41 %
AstraZeneca	Health care	3 900	126,19	492 155,05	1,40 %
Roche Holding	Health care	700	295,01	206 509,60	0,59 %
Portfolio value				34 589 292,09	
Cash and other asset, net				663 677,56	1,88 %
Fund value				35 252 969,65	
Number of outstanding units					
Return units (A)			137 366,5866		
Growth units (B)			155 873,4177	293 240,0043	
Unit value					
Return unit value (A)				104,6415	
Growth unit value (B)				133,9467	

Fondita European Micro Cap Investment Fund

Securities' change in the portfolio 1.1.-31.12.2022

(%-points)

Germany	0,4	Finland	-4,0
2G Energy	3,3 *	Detection Technology	0,0 *
Pharmasgp Holding	2,2 *	Duell	-1,5 *
Clearvise	1,0 *	Musti Group	-2,0
Nabaltec	0,6 *	Orthex	-0,9 *
Init Innov. Traffic Systems	0,6 *	Solwers	0,4 *
Datagroup	0,6 *		
Nexus	0,5 *	Switzerland	-0,4
Eckert & Ziegler	0,1 *	Coltene Holding	0,4 *
Technotrans	0,1 *		
Pacifico Renewables	-0,8	France	-0,4
PVA Tepla	-1,1 *	Focus Home Interactive	-0,4 *
Fabasoft	-1,5		
Medios	-1,6 *	Netherlands	0,6
Dr. Höhle	-1,7	Nedap	0,6 *
Steico	-1,8 *		
		Belgium	0,8
Great Britain	-2,3	Ekopak	0,8 *
NCC Group	2,7 *		
Ergomed	1,4 *	Norway	-0,6
Boku	1,1 *	Zaptec	-0,6 *
Animalcare	0,0 *		
Volution Group	0,0 *	Large companies	2,4
Marlowe	-1,3 *	AstraZeneca (SE)	0,7 *
Discoverie Group	-3,1	Novo Nordisk (DK)	0,9 *
John Menzies	-3,1	Roche Holding (CH)	0,6 *
		Siegfried (CH)	0,5 *
Sweden	-0,2	Umicore (BE)	-0,3
Addvise Gruoup B	0,9 *		
Enea	-0,7 *	Cash	-0,2
Eolus Vind	0,9 *		
Humble Group	-0,1 *		
Sdiptech	-1,1 *		
Italy	3,1		
Pharmanutra	0,4 *		
Indel	0,6 *		
Piovan	2,1 *		

* = 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	2 788 010,90	10 517 468,34
Sales losses of securities	(-) 1 361 429,69	707 170,10
Unrealized gains	792 614,45	12 311 410,53
Unrealized losses	(-) 21 084 534,74	5 539 867,88
Total	<u>-18 865 339,08</u>	<u>16 581 840,89</u>
Transaction costs	30 824,78	56 318,46

BALANCE SHEET APPENDIX 31.12.2022

Fund value

Fund value 1.1.	55 727 800,83	35 042 187,52
Unit subscriptions	2 289 008,88	9 156 505,78
Unit redemptions	(-) 2 327 944,80 (-)	3 643 026,56
Distribution of returns	(-) 1 153 313,84 (-)	775 502,21
Fiscal year profits	<u>-19 282 581,42</u>	<u>15 947 636,30</u>
Fund value 31.12.	<u>35 252 969,65</u>	<u>55 727 800,83</u>

Helsinki 28.2.2023

A handwritten signature in black ink, appearing to read 'Markus 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