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Climentum Capital Fund I K/S

Højbro Plads 10
1200 København K
CVR No. 42662372

Annual report 2023

The Annual General Meeting adopted the annual report on 19.04.2024

Frederik B. Hasling
Chairman of the General Meeting

Contents

Entity details

Entity

Climentum Capital Fund I K/S
Højbro Plads 10
1200 København K

Business Registration No.: 42662372
Date of foundation: 02.08.2021
Registered office: København
Financial year: 01.01.2023 - 31.12.2023

Executive Board on behalf of Climentum Capital GP I ApS

Stefan Mård
Morten Halborg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Climentum Capital Fund I K/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 19.04.2024

Executive Board on behalf of Climentum Capital GP I ApS

Stefan Mård

Morten Halborg

Independent auditor's report

To the shareholders of Climentum Capital Fund I K/S

Opinion

We have audited the financial statements of Climentum Capital Fund I K/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about 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 ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 Entity'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 Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives 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.

Statement on the management commentary

Management is responsible for the management commentary, hereinafter referred to as "the management commentary", as well as for the supplementary reports on disclosures in accordance with the SFDR etc, hereinafter referred to as "the supplementary reports".

Our opinion on the financial statements does not cover the management commentary or the supplementary reports, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and the supplementary reports and, in doing so, consider whether the management commentary and the supplementary reports are materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appear to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary and the supplementary reports is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations.

We did not identify any material misstatement of the management commentary or the supplementary reports.

Copenhagen, 19.04.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Thorø Larsen
State Authorised Public Accountant
Identification No (MNE) mne35823

Rikke Frydkjær Hansen
State Authorised Public Accountant
Identification No (MNE) mne46616

Management commentary

Primary activities
The purpose of the Limited Partnership is to generate profits by conducting investments in companies, either directly or through wholly or partly owned holding companies.

Description of material changes in activities and finances
Loss for the year amounts to EUR 672 thousand. The management consider the result satisfactory as this is the establishment phase of the fund and therefore a loss was expected.

Uncertainty relating to recognition and measurement
The recognition and measurement of items in the annual report is associated with some uncertainty due to investments in portfolio companies being unlisted investments in venture companies.

When preparing the Fund's annual report, the General Partner, in accordance with legislative provisions, makes accounting judgements and estimates which forms the basis of the annual report.

The accounting judgement and estimates made by the General Partner are described in the note 1 "Financial assets" to which we refer. Such estimates are primarily relating to the measurement of investments in portfolio enterprises made on the basis of assumptions which the General Partner considers reasonable and realistic, but which are uncertain by nature.

As the Fund invests in unlisted equity investments within the venture environment, the valuation is characterized by uncertainty as a result of the industry in general and current macroeconomic conditions. As a result, the valuation is associated with uncertainty, just as the valuation is dependent on the future execution of the strategy by the individual companies. In periods of high economic uncertainty, the uncertainty surrounding the valuation will also be greater.

Statutory report on corporate social responsibility
The Fund is according to EU' Disclosure Regulation classified as an Article 9 product hence it has sustainable investment as it's goal. For further information regarding periodic disclosure for the financial products please refer to page 16 for the periodic disclosure for Article 9 financial products.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 EUR	2021/22 EUR
Fair value adjustments of other investment assets		743,823	0
Other external expenses		(1,498,352)	(1,344,352)
Gross profit/loss		**(754,529)**	**(1,344,352)**
Other financial income		85,005	3,487
Other financial expenses		(2,500)	(37,651)
Profit/loss for the year		**(672,024)**	**(1,378,516)**
Proposed distribution of profit and loss:			
Retained earnings		(672,024)	(1,378,516)
Proposed distribution of profit and loss		**(672,024)**	**(1,378,516)**

Balance sheet at 31.12.2023

Assets

	Notes	2023 EUR	2021/22 EUR
Other investments		18,052,144	5,748,285
Financial assets	1	**18,052,144**	**5,748,285**
Fixed assets		**18,052,144**	**5,748,285**
Prepayments		0	22,743
Receivables		**0**	**22,743**
Cash		**979,709**	**852,776**
Current assets		**979,709**	**875,519**
Assets		**19,031,853**	**6,623,804**

Equity and liabilities

	Notes	2023 EUR	2021/22 EUR
Contributed capital		20,457,983	5,619,344
Retained earnings		(2,050,540)	(1,378,516)
Equity		**18,407,443**	**4,240,828**
Other payables		624,410	2,382,976
Current liabilities other than provisions		**624,410**	**2,382,976**
Liabilities other than provisions		**624,410**	**2,382,976**
Equity and liabilities		**19,031,853**	**6,623,804**
Employees	2		
Fair value information	3		
Contingent liabilities	4		

Statement of changes in equity for 2023

	Contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	5,619,344	(1,378,516)	4,240,828
Increase of capital	14,838,639	0	14,838,639
Profit/loss for the year	0	(672,024)	(672,024)
Equity end of year	**20,457,983**	**(2,050,540)**	**18,407,443**

The limited partners have committed themselves to contributing up to EUR 55,797 thousand into the Fund, when new capital is required for making investments, paying fund costs etc. Of the total committed capital, the Partners have paid-in net EUR 20,457 thousand at 31.12.2023.

To certain limited partnerships shares are attached special rights (carried interest rights) regarding the distribution of distributions from the Fund to the limited partners when the total realized return in the Fund exceeds an agreed minimum return between the investors. Furthermore carried interest rights can be obtained by a significantly ESG-impact.

Notes

1 Financial assets

	Other investments EUR
Cost beginning of year	5,748,285
Additions	11,503,780
Cost end of year	**17,252,065**
Exchange rate adjustments	56,256
Revaluations for the year	743,823
Revaluations end of year	**800,079**
Carrying amount end of year	**18,052,144**

The recognition and measurement of other investments are associated with some uncertainty due to investments in portfolio companies are unlisted investments in venture companies. The investments in portfolio companies are located in both DK and other countries, and therefore fair value is also dependent on exchange rates.

The Fund makes investments in non-listed companies, where the ability to divest and the companies' earnings are influenced by various factors, and the fair market valuation includes judgements and estimates. The fair market valuation of the investments in portfolio companies is therefore subject to uncertainties and the investments will not at all times be liquid as different market conditions may influence liquidity.

This uncertainty may be greater in periods of high volatility in the financial markets, and the business cycle also affects earnings in the underlying companies.

The fair values of the individual portfolio companies are calculated on the basis of methods that best reflect individual investment risks, life cycle, and industry conditions. Generally applicable, the fair value is calculated in accordance with IPEV valuation guidelines and accepted valuation methods.

The fair value of the investments are measured on a quarterly basis, or more frequently if significant changes occur.

The Fund Manager has implemented procedures and methodology to ensure that the valuation is carried out consistently over time and across investments.

Investments in portfolio companies made in the financial year are recorded at fair value based on the cost price. Taking into account the timing of the investment months before the balance sheet date, as well as the fact that these are unlisted smaller companies with no changes to their business cases since the investment, the cost price is considered to be the best estimate of the fair value.

Investments in portfolio companies made more than 12 months ago are recorded at fair value based upon latest capital increase round or part sale based on the value of comparable companies as well as by applying traditional measurement methods.

No multiples have been disclosed as all investments are valued at cost or price of recent.

2 Employees

The Fund has no employees other than the Executive Board. The Executive Board has not received any remuneration.

3 Fair value information

	Other investments EUR
Fair value end of year	18,052,144
Unrealised fair value adjustments recognised in the income statement	743,824

4 Contingent liabilities

The Entity has no contingent liabilities.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Fair value adjustments of other investment assets

Fair value adjustments of other investment assets comprise adjustments for the financial year of the Entity's investment assets measured at fair value at the balance sheet date.

Other external expenses

Other external expenses include expenses relating to administration etc.

Management fee comprises of management fee for the period calculated according to the Limited Partnership Agreement.

Other financial income

Other financial income comprises exchange gains on transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise bank fee's and interest expenses, including exchange losses on transactions in foreign currencies.

Balance sheet

Other investments

Other investments comprise investments in portfolio companies and are measured at fair value on the balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments in portfolio companies are measured according to the guidelines of the "International Private Equity and Venture Capital" (IPEV) "Valuation Guidelines" which is why investments are recognised at fair value at the balance sheet date in accordance with the Danish Financial Statement Act §37. Revaluations are included in the profit and loss account.

Unlisted portfolio companies are valued either by way of a capital increase round or part sale based on the value of comparable companies as well as by applying traditional measurement methods. Management assesses as part of the valuation process whether there have been changes in the investment companies customer relationships, earnings or similar, since the most recent investment round which may result in adjustments to the value.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Supplementary reports

Periodic disclosure for Article 9 financial products

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Frederik Bernt Hasling
Dirigent
Serienummer: b9920693-c4cd-4f90-90c7-00d7a2477998
IP: 2.106.xxx.xxx
2024-04-19 14:56:54 UTC

Stefan Mård
Adm. direktør
Serienummer: 65baabef-03be-43a1-9908-0618d406260a
IP: 213.32.xxx.xxx
2024-04-19 17:32:14 UTC

Rikke Frydkjær Hansen
DELOITTE STATSAUTORISERET REVISIONSPARTNERSELSKAB CVR: 33963556
Revisor
Serienummer: 1e5684a1-c686-4887-ad46-0014ba96c92f
IP: 163.116.xxx.xxx
2024-04-19 17:39:27 UTC

Morten Halborg
Adm. direktør
Serienummer: 7802d2b3-1b07-49f9-a315-6787f9bd7d2a
IP: 62.198.xxx.xxx
2024-04-20 08:34:06 UTC

Michael Thorø Larsen
Revisor
Serienummer: 8b040c92-2b9c-4f39-bb64-44c2876c41d1
IP: 163.116.xxx.xxx
2024-04-21 18:33:24 UTC

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Climentum Capital Fund I K/S (referred to as "the Fund")

Legal entity identifier: Business Registration Number 42662372

The Fund invests in early-stage companies (referred to as "Investments") that provide low-carbon solutions to the highest-emitting industries

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Did this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective: 100**%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The sustainable investment objective of the Fund is to reduce carbon emissions and thus deliver toward climate change mitigation.

The investments of the Fund contributed to this objective by delivering solutions that are less carbon-intensive than the leading incumbent solutions, enabling "avoided emissions".

While there are no relevant reference benchmarks available that can be applied to the Fund, reference solutions were determined for each individual investment to assess the avoided emissions potential in a consistent manner.

The sustainability indicator used to measure the attainment of the sustainable investment objective was “avoided emissions” (also referred to as “Scope 4”): greenhouse gas emissions avoidance in tonnes of CO2 equivalents.

The calculation of avoided emissions was based on life cycle analyses (LCAs) whereby avoided emissions are the difference between the life cycle emissions from the Investment’s solution(s) compared to leading incumbent solution(s) available to achieve the same user benefit.

To estimate the expected and potential annual avoided emissions of an Investment (CO_2e/year), the anticipated annual sales (units) were multiplied by the unit impact (CO_2/unit).

Assessing avoided emissions via LCA has been done in accordance with the European Commission Recommendation 2013/179/EU(96) and leading standards, including ISO 14040 and 14044, GHG Protocol, and Project Frame.

The Fund pursued alignment with the Paris Agreement. When the primary economic activities of an Investment were Taxonomy Eligible, the Fund required prospective Investments to be on track to meeting the relevant Substantial Contribution requirements. When the economic activities were not Taxonomy Eligible, the Fund applied following three substantial contribution criteria of which Investments must meet at least one:

1. The solution delivers at least 50% lower carbon emissions vs. the leading incumbent solution
2. The solution has the potential to deliver >100 thousand tonnes of CO2e avoided emissions by 2032 (earliest possible year for the Fund to end)
3. The solution has the potential to deliver >100 million tonnes of CO2e avoided emissions at full scale

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

Given the early-stage nature of the Investments, no significant avoided emissions were delivered in the reporting period. However, looking forward, the Investments in the portfolio as of end 2023 had avoided emissions potential by 2032 of more than 6 million tonnes of CO2e. This indicator has not been subject to assurance.

…and compared to previous periods?

The avoided emissions potential by 2032 has increased in line with the growth in the number of portfolio companies from 2022 to 2023.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The Fund is committed to ensuring that its investments do not cause significant harm to environmental or social objectives in the pursuit of its carbon emissions reduction objective.

To this end, the Fund:

1. Has an extensive Exclusion Policy (available at www.climentum.com), covering issues such as significant negative environmental or social impacts, illegal

activities, oil & gas extraction, human cloning, controversial weapons, tobacco, alcohol, gambling, predatory lending, etc.

2. Incorporates do-no-significant-harm (DNSH) considerations into its due diligence process and shareholder agreements, as well as in its ongoing monitoring of the Investment's performance

To guide this work, the Fund has developed a list of DNSH thresholds and supporting indicators appropriate to the asset class and type of investments made. The DNHS Thresholds are available at www.climentum.com. The criteria are derived from the EU Taxonomy thresholds for environmental harm and Minimum Safeguards aimed at avoiding harm on social and governance factors, while the supporting indicators include, but are not limited to, a selection of the mandatory and voluntary Principal Adverse Impact (PAI) indicators under the SFDR.

The Fund's DNSH thresholds and supporting indicators are applied across the full investment cycle, meaning that all new Investments are assessed against these thresholds prior to inclusion in the Fund as well as during Fund ownership.

In the reporting period:

- The Exclusions Policy has been upheld. There were no cases where the Exclusions Policy was the primary reason for rejecting a potential Investment, although hundreds of companies were excluded in the first (Screening) phase because they were deemed to have a negative impact on carbon emissions (which is also one of the Exclusion criteria).
- The DNSH thresholds were covered in the due diligence processes leading to the Investments. There were no incididents where a potential Investment in the final due diligence phase (after the first Investment Committee meeting) was deemed to cross the DNSH thresholds and require corrective actions or a rejection of the Investment.
- The DNSH thresholds were monitored across the Investments via regular meetings with the Board of Directors. There were no incidents of the DNSH thresholds being crossed.

How were the indicators for adverse impacts on sustainability factors taken into account?

The Principal Adverse Impact (PAI) indicators are deployed by the Fund to identify and avoid any significant adverse impacts by its Investments, and take action as required.

During due diligence, several of the mandatory PAI indicators are used by the Fund to help assess Investment performance against the Fund's DNSH thresholds and exclusion policy.

During ownership, the Fund collects and monitors data on all mandatory PAI indicators plus two additional indicators:

- 2.4: Companies without carbon emission reduction initiatives
- 3.1: Investments in companies without workplace accident prevention policies

In the reporting period:

- There were no cases where an Investment's performance on one or more PAI indicators suggested that there is potential for significant adverse impact (according to the Fund's DNSH thresholds)

- The Fund engaged with its Investments to prepare them for the forthcoming PAI annual reporting cycle, discussing data collection, consolidation, and reporting systems & procedures

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

At the point of investment, all Investments are required to commit to implement a set of Minimum Safeguards to monitor compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).

The Minimum Safeguards required by the Fund are derived from the Minimum Safeguard requirements in the EU Taxonomy, which includes the following:
- Respect for human rights (incl. labor and consumer rights)
- Anti-corruption
- Responsible taxation
- Fair competition

In line with the recommendations from the EU Platform on Sustainable Finance on Minimum Safeguards, the Fund's requirements to Investments have been tailored to fit micro-enterprises and SMEs, which means that requirements for policies and controls will increase as the company progresses in maturity and size.

Alignment is ensured via the Fund's Good Governance Policy, which is attached to the Shareholder's Agreement at the point of investment. All Investments are required to report adherence to these requirements at least once per year via the following Principle Adverse Impact (PAI) indicators:
- 1.10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- 1.11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles (including UNGPs) and OECD Guidelines for Multinational Enterprises

In case of reported violations and/or critical gaps in ensuring adequate processes and compliance mechanisms, the Fund will immediately engage with the Investment company to take appropriate action.

In the reporting period:
- All Investments committed to the Fund's Good Governance Policy
- There have been no cases of reported violations
- There have been no cases of critical gaps in processes or compliance mechanisms

How did this financial product consider principal adverse impacts on sustainability factors?

The Fund is committed to considering the Principal Adverse Impact (PAI) of this financial product and takes into account principal adverse impacts on sustainability factors as outlined in the previous sections.

For additional information, please see the Fund's PAI statement, which includes a detailed description of the Fund's methodology and the Fund's periodic disclosures for this financial product (available at www.climentum.com).

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31/12/2022 to 31/12/2023

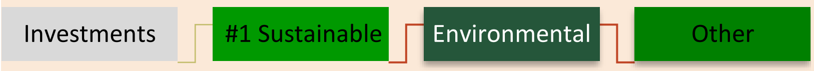
Largest investments	***Sector***	***% Assets***	***Country***
Jolt	Electrode manufacturing	4%	Spain
Wayout	Water treatment	4%	Sweden
Fermify	Precision fermentation	4%	Austria
Novatron	Fusion reactor development	4%	Sweden
one.five	Packaging materials	3%	Germany
Entocycle	Insect farming technology	2%	UK
Qvantum	Heat pump manufacturing	2%	Sweden
Kärnfull Next	Nuclear asset development	2%	Sweden
Continuum	Composite material recycling	2%	Denmark
ZeroPoint	Semiconductor development	2%	Sweden

The Fund had made a total of 10 investments by the end of the reporting period.

Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

What was the asset allocation?



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

As indicated in the illustration above, all Investments (100%) of the Fund met the sustainable investment objective.

In which economic sectors were the investments made?

Investment	Sector	Primary NACE code
Jolt	Electrode manufacturing	C 25.61 – Treatment and coating of metals
Wayout	Water treatment	E 36.00 - Water collection, treatment and supply
Fermify	Precision fermentation	C 28.99 - Manufacture of other special-purpose machinery
Novatron	Fusion reactor development	M 72.1 - Research and experimental development on natural sciences and engineering
one.five	Packaging materials	C 17.29 - Manufacture of other articles of paper and paperboard
Entocycle	Insect farming technology	A 01.49 - Raising of other animals
Qvantum	Heat pump manufacturing	C 27.51 - Manufacture of electric domestic appliances
Kärnfull Next	Nuclear asset development	F 42.22 - Construction of utility projects for electricity and telecommunications
Continuum	Composite material recycling	E 38.32 - Recovery of sorted materials
ZeroPoint	Semiconductor development	C 26.11 - Manufacture of electronic components

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

As indicated in the graph below, the Fund’s Investments are not currently aligned with the EU taxonomy. This is a reflection of the early-stage nature of the Investments. At the point of investment (e.g. Seed stage), Investments are seldom mature enough to meet the full requirements of the Taxonomy.

When the economic activities of Investments are Taxonomy Eligible, the Fund supports the Investments in becoming Taxonomy Aligned as they grow. As such, the level of Taxonomy Alignment is expected to grow over time.

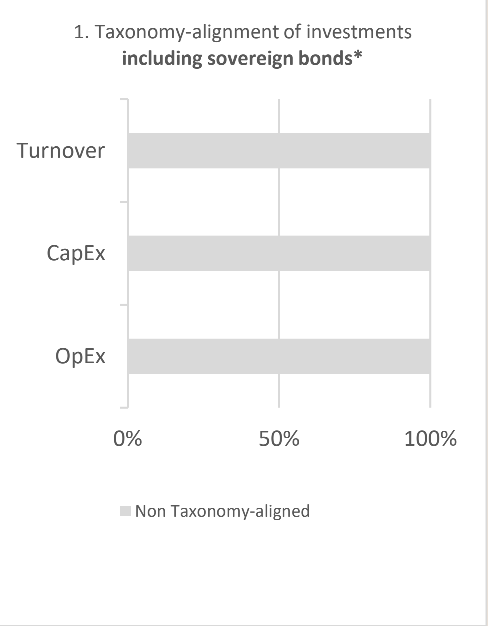
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

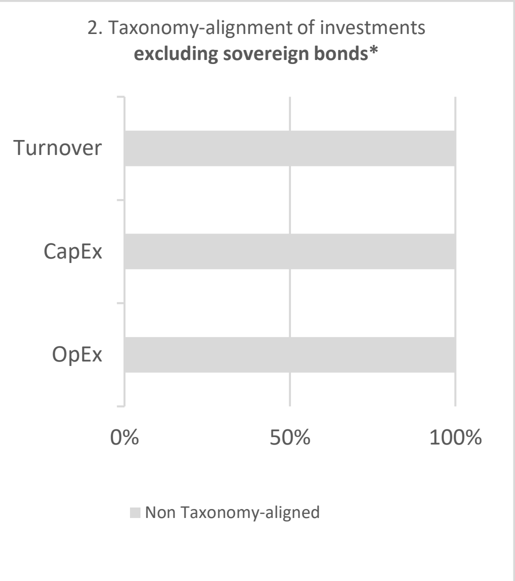
☐ Yes

☐ In fossil gas ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmenal objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

Given that the investments are not currently Taxonomy Aligned, there is no split to present.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

There has been no change in the level of Taxonomy Alignment in the portfolio. This is a function of the portfolio still being very young.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

As indicated above (under "What was the asset allocation?"), all Investments (100%) of the Fund met the sustainable investment objective, but none of them were Taxonomy Aligned in the reporting period.

What was the share of socially sustainable investments?

This is not applicable for the Fund as it does not have a socially sustainable investment objective.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

This is not applicable for the Fund as all investments are required to be sustainable and were sustainable in the reporting period.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

What actions have been taken to attain the sustainable investment objective during the reference period?

In the reporting period:

- The Exclusion Policy was upheld (available at www.climentum.com)
- The sustainability related due diligence processes were properly implemented as outlined in the Website Disclosure, the Sustainability Risks Integration Policy, and the Principal Adverse Impact Statement (all available at www.climentum.com)
- A preliminary avoided emissions assessment (based on LCA) was developed for each new Investment, outlining emissions reductions potentials and providing inputs to each respective sustainability action plan (SAP)
- Each Investment delivered according to their sustainability action plan (SAP), including actions related to maturing toward ensuring Taxonomy Alignment over time
- The Fund participated actively in Board roles in all Investments, monitoring compliance with the Good Governance Policy (available upon request) and providing guidance to the leadership teams

How did this financial product perform compared to the reference sustainable benchmark?

This is not applicable for the Fund as are no relevant reference benchmarks available that can be applied to the Fund.

- ***How did the reference benchmark differ from a broad market index?***

  This is not applicable for the Fund (see above).

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

  This is not applicable for the Fund (see above).

- ***How did this financial product perform compared with the reference benchmark?***

  This is not applicable for the Fund (see above).

- ***How did this financial product perform compared with the broad market index?***

  This is not applicable for the Fund (see above).