

DISCLOSURE OF SUSTAINABILITY-RELATED INFORMATION ABOUT MOMENTUM II AS

Momentum Venture Management AS ("**Momentum**") is the manager of the alternative investment fund Momentum II AS (the "**Fund**"). Momentum has adopted a Responsible Investment Policy (the "**Policy**") for the Fund, which includes several social and environmental characteristics. These characteristics are promoted by the Fund. Furthermore, Momentum takes the view that companies in which the Fund is and will be invested in follow good governance practices. Accordingly, it is Momentum's assessment that the Fund qualifies for the disclosure obligations under Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**SFDR**"). Momentum is therefore required to include a sustainability-related product disclosure section on its website, pursuant to Article 10 SFDR. The below paragraphs provide the information required.

SUMMARY

Momentum II AS is covered by article 8 SFDR as it promotes environmental characteristics. In summary, all investee companies are subject to structured environmental and social assessments both before investment and during our holding period, and we aim to engage the portfolio in improved environmental and social footprint through our active ownership profile. In addition to this document, Momentum has implemented its "Responsible Investment Policy" that describes in detail how ESG and impact assessments are integrated into our work. This policy is available upon request.

NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The fund promotes any technology development that contributes to any of the six environmental objectives as defined by the EU Taxonomy. In order for the investments to promote these objectives, we do not require the companies' activities to be aligned according to the EU Taxonomy, but we look at contributions in a broader sense.

Environmental characteristics promoted:

- Climate change mitigation (reducing greenhouse gas emissions)
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Circular economy transition
- Pollution prevention and control
- Biodiversity and ecosystem protection and restoration

INVESTMENT STRATEGY

The investment strategy used to meet the environmental or social characteristics promoted by the Fund:

- Integrating **ESG assessments in all due diligence processes** before investing, identifying both ESG risks and ESG opportunities, assessing the companies' ESG maturity and revealing how we can help develop this through our ownership period
- Avoiding investing in sectors defined by our **Exclusion policy**
- **Driving positive environmental impact** through investing in companies who contribute positively to the UN's sustainable development goals and who have sustainability as a core and intrinsic part of the business. We define "sustainability" as meeting the needs of the present without compromising the ability of future generations to meet their needs.
- **Using our active ownership role** to drive competence and engagement around ESG and environmental impact in the board rooms and the management teams
- **Reporting quarterly** on ESG and impact, as well as annually in a more comprehensive report to our LPs

The policy to assess good governance practices of the investee companies:

- We aim for all investee companies to be or become compliant with the "**minimum social safeguards**" as defined by the EU Taxonomy during our holding period, whether they are eligible/aligned with the Taxonomy or not
- We support the investee companies in building core policies, advising them to base them on principles from the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. While looking to these **international guidelines**, the companies also take into account their age and size, and avoid over-complex policies.

PROPORTION OF INVESTMENTS

Momentum will adhere to the Policy in relation to all the Fund's potential and completed investments. Accordingly, 100 % of the investments of the Fund will be aligned with some or all of the promoted environmental characteristics. The Fund does not commit to make a minimum proportion of sustainable investments as defined in the SFDR and/or environmentally sustainable economic activities as defined in the EU Taxonomy Regulation. No formal commitments according to the SFDR were made to LPs during the marketing of the Fund, as the Fund was closed before the SFDR took effect. We nevertheless expect a portion of our investments to be "sustainable" by both the SFDR and the Taxonomy standards.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Environmental characteristics promoted by the fund are monitored and documented in investment memos when new investments are made, on a quarterly basis through LP reports throughout our ownership period, as well as in more comprehensive annual ESG/Impact reports. An internal "schedule of controls" is in place to monitor that these requirements are met.

METHODOLOGIES FOR ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Pre-investment:

Before doing an investment in a company, the following methodology is used:

- The potential investee companies answer a standard ESG questionnaire covering all three letters. The answers are discussed, and we establish a common understanding of ESG maturity and how to improve
- We assess the company's potential positive impact through:
 - A mapping of which SDGs and sub-targets the company contributes to and how
 - A qualitative "impact scoring" including the factors direct/indirect impact, low/high contribution, volume (for few / for many), geography (local/global), time to effect (slow/quick) and duration of effect (short/lasting)
- We do a preliminary screening of EU Taxonomy eligibility and alignment, by identifying relevant activities and assessing technical screening criteria to the extent possible within a reasonable effort from us and the potential investee companies

Post-investment:

During our ownership period, the following methodology is used:

- We collect data on ESG and impact from the investee companies on a quarterly basis and report to our LPs in the same cadence
- We compile a more comprehensive annual ESG/impact report to our LPs

DATA SOURCES AND PROCESSING

The data sources used to attain each of the environmental or social characteristics promoted by the Fund are primarily questionnaires sent out to the investee companies

- a) Measures taken to ensure data quality includes discussions with investee companies and some support from external experts on e.g. impact measurement and EU Taxonomy
- b) The data are processed with the help of software reporting tools and Excel, and visualized mainly in Powerpoint
- c) A limited proportion of the data is estimated, most data is based on actual information from the investee companies

LIMITATIONS TO METHODOLOGIES AND DATA

There may be limitations to the data availability on some characteristics, since the Fund invests in young and small companies, and also given that areas such as impact measurement is in its early days with few international standards established. However, most data is collected directly from investee companies, and where we need to make estimates we discuss with experts and co-investors to make sure they do not affect the environmental characteristics promoted by the Fund.

DUE DILIGENCE

Please see “Methodologies for environmental or social characteristics” for a description of the due diligence carried out on the underlying assets of the financial products. The due diligence is internally controlled through documentation in investment memos and discussions with the Fund’s advisory investment committee, and externally controlled by the engagement of external expertise on legal and regulatory matters.

ENGAGEMENT POLICIES

Engagement is an integral part of the Fund’s environmental strategy. The Fund holds minority positions, but takes an active ownership role and influences the investee companies e.g. through:

- Adding ESG topics regularly to the agenda of the Board of Directors
- Engaging with management to encourage that ESG opportunities and risks (including sustainability risks) are embedded in business planning and strategy
- Asking all portfolio companies to develop their own core environmental and social policies
- Making sure all portfolio companies define at least one sustainability-related KPI (measuring positive impact of their core business) as well as key ESG metrics for quarterly reporting for continuous awareness and engagement

The Fund will avoid most sustainability-related controversies in investee companies through our exclusion policy that is designed to avoid investments with non-manageable sustainability risks. Should there be any sustainability-related controversies, we will engage in dialogue at the board and management levels, and use our voting rights as shareholders to vote against any unwanted initiatives.

Date	Amendment
September 2021	Publication of disclosure
May 2023	Updates in accordance with the final SFDR RTS