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MOMENTUM II AS

2023 PERIODIC DISCLOSURE
ANNEX IV

Period disclosure for Momentum II AS being an Article 8 fund, promoting environmental and/or social characteristics

Momentum II AS ***promoted environmental characteristics****, and while it did not have as its objective to make sustainable investment, it* ***mostly did sustainable investments****:*

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

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

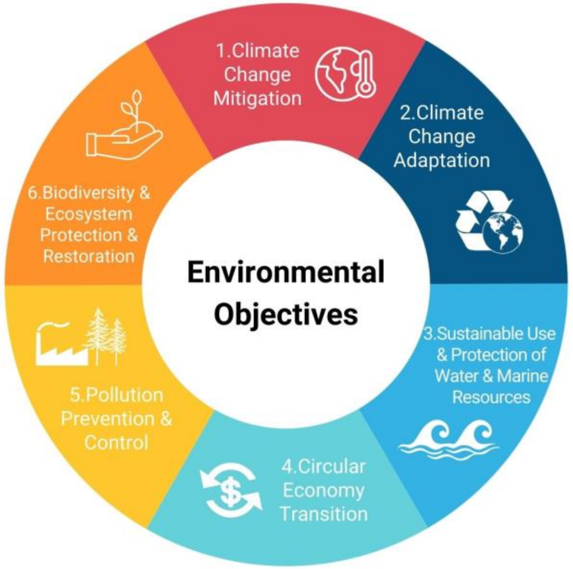
Throughout this appendix, we answer the questions from the EU's pre-defined template for periodic disclosures for Article 8 funds.

To what extent were the environmental and/or social characteristics promoted by this financial product met? (i/ii)

Momentum II AS ***promoted any technology development that contribute 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 Taxonomy, but we look at contributions in a broader sense. Examples of contributions are listed in points 1-6 to the right:*

1. Reduced, avoided, sequestered or removed GHG emissions, or increased knowledge about GHG emissions and how to reduce them

6. Improved understanding of biodiversity, improved biodiversity, better co-existence between wildlife and industry, improved soil health, increased water quality, etc.



2. Reduced climate-related damages, increased community resilience to climate change, increased no. of people benefiting from adaptation measures, adoption of climate-resilient agricultural practices, increased understanding of physical climate risk, etc.

5. Reduced air pollution, water pollution and soil contamination, through e.g. reducing fuel consumption, reducing use of fertilizers and pesticides, etc.

3. Improved marine biodiversity, reduced water toxicity, improved fish welfare in aquaculture, reduced over-fishing, increased understanding of the ocean, etc.

4. Reduced waste, increased reuse and recycling, better utilization of waste/low-value products, etc.

To what extent were the environmental and/or social characteristics promoted by this financial product met? (ii/ii)

Company	1. Climate change mitigation	2. Climate change adaptation	3. Sustainable use and protection of water and marine resources	4. Circular economy transition	5. Pollution prevention and control	6. Biodiversity and ecosystem protection and restoration
✓ Nofence	Sequestered CO2 through managed grazing	Climate-resilient agriculture, limiting damage of e.g. floods			Less fertilizers and pesticides through managed grazing	Improved soil health through managed grazing
✓ NAVIDIUM	Reduced GHG emissions through optimized routes				Less water pollution through optimized routes	
✓ BLUE OCEAN TECHNOLOGY	More energy efficient than competing sludge treaters		Avoiding sludge and toxicity leakage from fish farming to ocean	Turning aquaculture sludge into valuable biogas / fertilizer		
✓ pascal	Reduced GHG emissions through electrification of boats				Less water pollution and noise pollution because of 100% electrification	
✓ amina	Lower-CO2 chargers and more EVs faster					
✓ Glint Solar	Reduced emissions through quicker build-out of PV					
✓ 7Analytics		Increased climate risk understanding, mitigating actions				
✓ Remora Robotics	Reduced emissions from avoided use of diesel boats				More efficient food production at sea, reduced env. footprint	Reduced noise and disturbance of fish as flushing of pens is avoided

The above table shows that all investments promoted environmental characteristics.

Compared to previous periods (reported for the first time for 2022), this result is equal to last year (with one more company added to the portfolio)

What were the objectives of the sustainable investments that the financial product partially made, and how did the sustainable investment contribute to such objectives?

Definition of "sustainable investments"

- The Sustainable Finance Disclosure Regulation ("SFDR") defines a "sustainable investment" as an investment in an economic activity that **contributes to an environmental objective**, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, (….) provided that such investments **do not significantly harm** any of those objectives and that the investee companies **follow good governance practices**, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.
- The SFDR leaves a lot of room for each manager of a financial product to define how to measure whether an investment is a "sustainable investment" or not. There is an expectation to use indicators of principal adverse impacts ("PAIs") in order to prove "no significant harm" to environmental or social objectives, but no clear guidelines as to *how* to use them.
- Reporting on SFDR is still new and a bit immature for the whole financial sector. The EU indicated in April 2023 that they would seek to adapt to feedback from financial market participants regarding disclosure templates and reporting methodology. Many expected these changes to be implemented by now, but the EU seems to be lagging behind. We still foresee that we will further develop our methodology over the years to come, but we have chosen to report in consistency with last year's chosen methodology and framework for now.

Momentum II's interpretation / operationalization of contributing to an environmental objective

- In Momentum, the sustainable investments had as their objective to contribute to at least one of the six environmental objectives of the EU Taxonomy (although not necessarily being "aligned" in accordance with the EU Taxonomy's technical screening criteria).
- The contribution can be either direct (e.g. by reducing GHG emissions through the companies' products or services) or indirect by enabling others to contribute (e.g. by better understanding and adapting to physical climate risk).
- All the current investee companies provide such contribution.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social investment objective?

- Momentum Venture Management AS (the manager of Momentum II AS) has **chosen, at the entity level, not to consider the adverse impacts of investment decisions on sustainability factors**. The reason for this is primarily that we invest in small and young companies with little or no support staff, and it would be unreasonable to expect that such companies have all the required information in place, especially pre-investment.
- We do, however, **consider the mandatory indicators of principle adverse impact post-investment, in order to assess the "do no significant harm" requirement** for sustainable investments. The results of our considerations are displayed on the next two pages of this report. Not all indicators are seen as relevant and/or possible to measure quantitatively with specific thresholds for "doing no significant harm". We have chosen to define thresholds for the indicators that are most relevant to our portfolio, and the ones that we can measure with good enough quality with a reasonable effort from the investee companies. All Momentum II's portfolio companies are within these thresholds for 2023. Please note that this assessment is focused on doing **no significant harm**, and *not* our view of what best practice would look like.

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Indicators applicable to investments in investee companies ("PAIs") – Table 1

Adverse sustainability indicator		Metric	Impact (2023)	Impact (2022)	Explanation / comment
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	1,440 kg CO2e	1,786 kg CO2e	Based on estimates from portfolio and Momentum's ownership %
		Scope 2 GHG emissions	871 kg CO2e	1,602 kg CO2e	Based on estimates from portfolio and Momentum's ownership %
		Scope 3 GHG emissions	224.870 CO2e	126,821 kg CO2e	Based on estimates from portfolio and Momentum's ownership %
	2. Carbon footprint	Carbon footprint	15.9 tons CO2e / mEUR value*	8.03 tons CO2e / mEUR value	Momentum's financed emissions / value of portfolio as of end 2023
	3. GHG intensity of investee companies	GHG intensity of investee companies**	133.07 tons CO2e / mEUR sales revenues**	64.1 tons CO2e / mEUR sales revenues**	Weighted average of portfolio's emissions per mEUR in sales
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	Covered by Momentum's exclusion policy
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Production: 0 Consumption: ~46.9%	N/A	No energy production in portfolio. Non-renewable energy consumption estimated by using share of renewable / non-renewable energy in Norway as a whole for 2023***
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0	0	No investments in high impact climate sectors
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	0%	

* Based on average NOK/EUR rate through 2023 (11.42 NOK/EUR). ** Will typically be relatively high for early-stage companies with limited revenues in the first few years

*** Source: https://www.tilnull.no/energibruk.

Indicators applicable to investments in investee companies (“PAIs”) – Table 1 (continued)

Adverse sustainability indicator		Metric	Impact (2023)	Impact (2022)	Explanation / comment
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0	0	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0	0	
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	N/A	As reported by portfolio companies
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	5.29%	7.8%	2022 number was based on status as of 1Q 2023
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	22.1%	18%	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	Covered by Momentum’s exclusion policy

Given the levels of these mandatory principal adverse indicators for 2023, we do not consider the portfolio to do “significant harm” to any environmental or social objective.

We focus particularly on the following PAIs when considering "DNSH", with specific thresholds for what we see as acceptable

	INDICATOR OF PRINCIPLE ADVERSE IMPACT	MOMENTUM II THRESHOLD FOR NOT DOING SIGNIFICANT HARM
CLIMATE / ENVIRONM.	**Exposure to companies active in the fossil fuel sector**	Not active in fossil fuel sector
SOCIAL	**Violations of UN / OECD principles / guidelines**	No violations
	Exposure to controversial weapons	No exposure
	Incidents of discrimination	No incidents
	Number of identified cases of severe human rights issues and incidents	No cases
	Lack of anti-corruption and anti-bribery policies	Must be in place (separate policy or as part of other policies)

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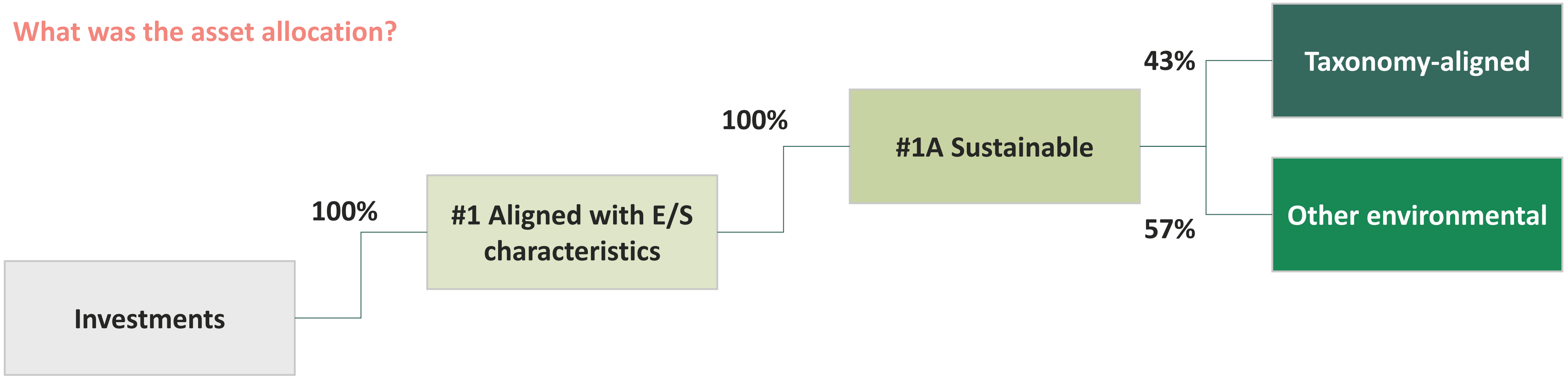
What were the top investments of this financial product?

Largest investments[1]	Sector	% assets[2]	Country
Amina Charging AS	Electrification	33%	Norway
Pascal Technologies AS	Maritime / electrification	23%	Norway
Blue Ocean Technology AS	Aquaculture	13%	Norway

1. Counting investments and follow-up investments made in 2023 only
2. Measured as % of AUM which is 381 mNOK for the fund

What was the proportion of sustainability-related investments?

What was the asset allocation?

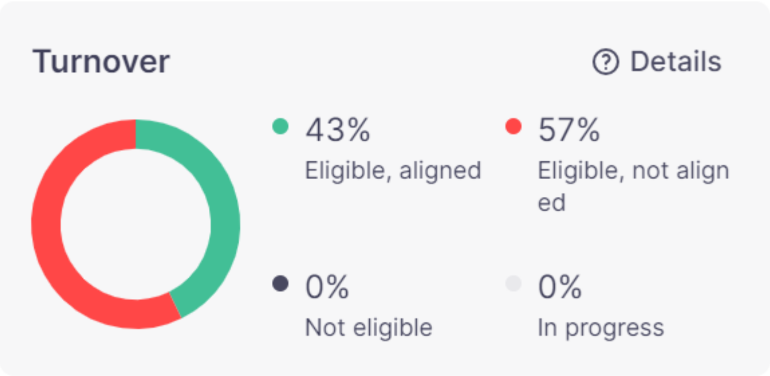


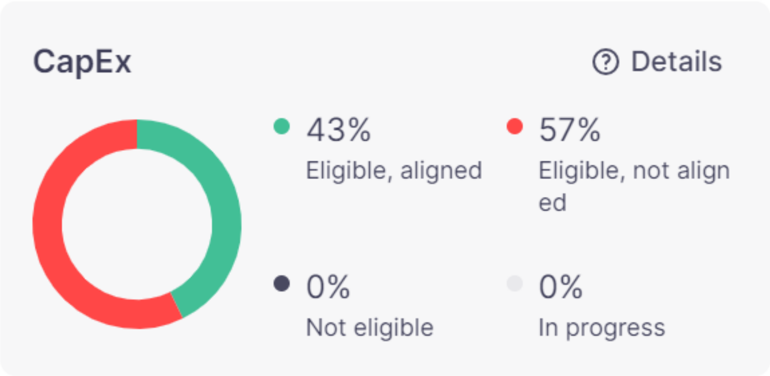
In what sectors were the investments made?

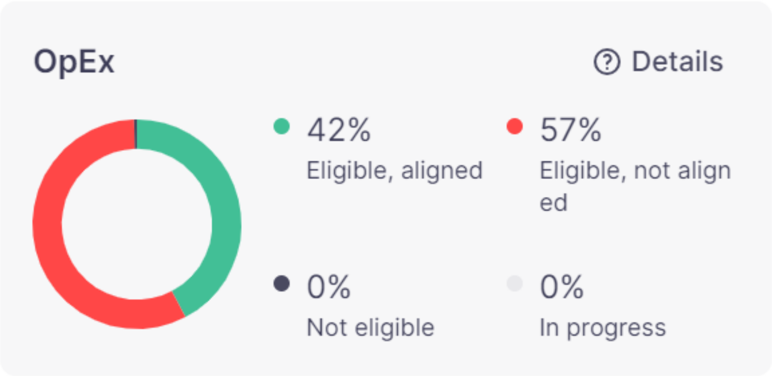
The investments were made in the sectors of agriculture, aquaculture, maritime, electrification, renewable energy and climate adaptation

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

Momentum II overall results for 2023:







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

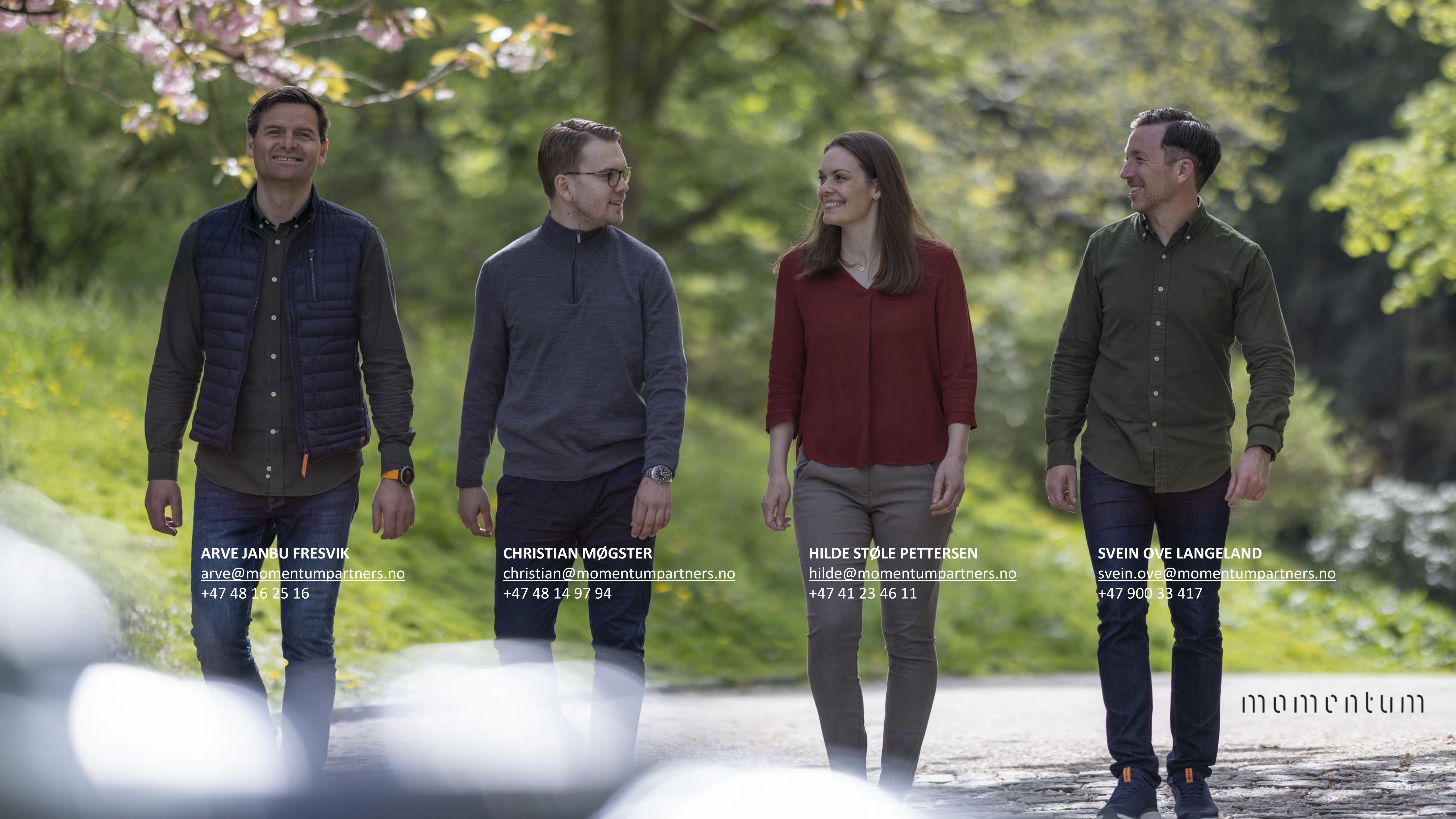
The 23-43% shown above as eligible and aligned stem from three portfolio companies: Pascal Technologies AS, 7Analytics AS and Amina Charging AS. All three conduct **enabling** activities. Hence, 100% of Momentum II's taxonomy-aligned investments and 42-43% of Momentum II's overall investments were made in enabling activities.

How did the percentage of investments that were aligned with the EU taxonomy compare with previous reference periods?

The percentage of aligned investments **increased from 14% to 42-43%** from the previous reference period (2022). The increase comes from i) two companies that were already aligned in 2022 that weigh more in the portfolio in 2023 (Pascal Technologies AS and 7Analytics AS), and ii) one portfolio company going from not aligned to aligned (Amina Charging AS)

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

- The most important action is to **screen for companies** who promote environmental characteristics (i.e., in our definition, who seeks to contribute to any of the six environmental objectives of the EU Taxonomy), and to exclude companies who do not.
- In our due diligence process, we look for genuine **mission alignment** on contributing to environmental objectives. We also assess **ESG maturity**, including key governance documents and routines, and good business ethics
- During our holding period we strive to ensure that each company has a **person dedicated** to ESG and impact responsibility
- During our holding period we also **report quarterly** on a broad set of ESG parameters
- We also encourage all portfolio companies to define at least one **KPI that measures the positive impact** on the environment from the product or service that they develop.
- In general, we **advocate the strategic value of being proactive** in the area of ESG and impact, in spite of the portfolio companies being quite small when we invest. Meeting high environmental and social characteristics is not only the right thing to do, but also advantageous in terms of attracting capital, customers and talents.



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