

IDEKAPITAL

SUSTAINABILITY RISK POLICY

The EU has adopted legally binding measures on sustainable finance and Idekapital will seek to comply with these legal measures. These measures include Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"). The SFDR sets out disclosure and reporting obligations for alternative investment fund managers like Idekapital Fund 1 AS and Idekapital Fund 2 AS (in the following mentioned "Idekapital" or "we").

The SFDR was applicable in the EU from March 2021 and is in the process of being implemented into Norwegian legislation.

We integrate sustainability risks in all our investment strategies. Sustainability risks are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment.

We review and assess potential sustainability risks as part of the decision-making processes with respect to the investments to be made. Such review is performed on an ongoing basis by the investment team and our Investment Committee during due diligence processes before investment decisions are made.

If we consider the sustainability risks to be too high, or we conclude that companies are not willing to address any underlying sustainability risks, we will elect to not make new or further investments in such companies. Within our portfolios we also seek opportunities to improve identified sustainability risks to reduce the vulnerabilities and improve the potential of portfolio companies.

Idekapital Fund 1 AS and Idekapital Fund 2 AS (as Alternative Investment Funds) were not SFDR classified when established, but we will comply with "SFDR Article 8" on a best effort basis going forward.

No consideration of principal adverse impacts under SFDR article 4

The underlying objective of Article 4 of SFDR is to encourage financial market participants to pursue more sustainable investment strategies in terms of reducing negative externalities on sustainability caused by their investments.

Idekapital has, taking into consideration the nature and scale of our activities, currently chosen not to consider adverse impacts of our investment decisions on sustainability factors in the manner set out in article 4 of the SFDR. The reason for this is that:

- software companies in general have a low adverse sustainability impact from their own activities, and
- we expect significant challenges in obtaining information of sufficient quality and level of detail from potential portfolio companies that is required to meaningfully report on the principal adverse impact indicators set out in the regulatory technical standards accompanying the SFDR, as well as other adverse impact indicators to investors.

As a consequence, Idekapital will not be issuing a principal adverse impact statement under article 4 of the SFDR. Idekapital will however keep its decision not to consider principal adverse impacts under SFDR article 4 under regular review, and may reevaluate the decision in light of increased data availability or other regulatory or market changes.