

Sustainability-related disclosures – Fenja Capital II A/S

These sustainability-related disclosures have been prepared pursuant to Article 10 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**Regulation**" or "**SFDR**").

The disclosures have been prepared and published based on the information and legislative guidance available in relation to the Regulation on the date hereof. This statement may be subject to changes and updates following disclosure of any further regulation and guidance concerning the Regulation.

Summary

Product name: Fenja Capital II A/S (the "**Fund**"), managed by Fenja Capital Partners A/S (the "**Fund Manager**")

Legal entity identifier: 5493001C11ZJG4R1VG77

The Fund promotes environmental or social characteristics, but does not have a sustainable investment objective.

The Fund Manager has a sustainability policy and incorporates sustainability into its investment decisions, drawing inspiration from the UN Global Compact to the benefit of investors, partners, and society as a whole. This is implemented through a due diligence process, which excludes specific sectors, geographies, and other areas in which the Fund Manager chooses not to invest.

No sustainable investment objective

The Fund promotes environmental or social characteristics, but does not have a sustainable investment objective.

Environmental or social characteristics of the financial product

The Fund promotes environmental or social characteristics as part of the investment strategy. This means that the Fund Manager has a sustainability policy and incorporates sustainability into its investment decisions, drawing inspiration from the UN Global Compact to the benefit of investors, partners, and society as a whole. This is implemented through a due diligence process, which excludes specific sectors, geographies, and other areas in which the Fund Manager chooses not to invest. Further details on the exclusion criteria can be found in the Due Diligence section.

Investment strategy

The investment strategy is to provide long term financing solutions to primarily small and medium-sized publicly traded companies. The financial product offers financing solutions in the form of convertible loans, ordinary loans, warrants, or shares, or structuring of such instruments.

The investment horizon for the financing solutions is approximately 6 months and beyond. The financial product can also make commitments in rights and directed share issues both as an underwriter and as a subscriber of shares.

The typical investment process is:

- The Fund Manager engages in dialogue with a relevant counterparty.
- It is verified whether the potential investments identified are in line with the investment strategy.
- The proposed deal is evaluated.
- The deal is signed and executed.
- Post deal-making tasks are handled, such as monitoring public information, trading, risk management position sizing and hedging currency risks.

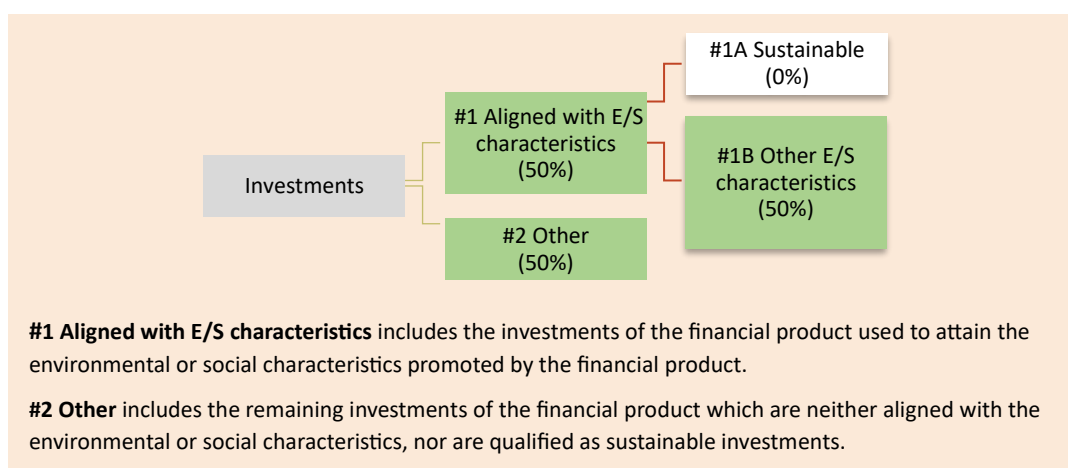
Proportion of investments

All investments in the financial product follow the same investment strategy, incorporating the environmental and social characteristics promoted as part of this strategy. These investments fall under the SFDR category ‘#1 Aligned with E/S characteristics’.

To manage currency risk, the strategy includes hedging foreign currency exposure using derivative contracts. While these derivatives are integral to risk management, they do not directly contribute to the attainment of the environmental or social characteristics promoted by the financial product. Therefore, they are categorized under the SFDR category ‘#2 Other’.

The currency exposure is approximately hedged 1:1, which means that approximately 50% of the portfolio (gross exposure) is allocated to the SFDR category ‘#1 Aligned with E/S characteristics’, while the remaining part (currency derivatives) is classified under the SFDR category ‘#2 Other’.

Within the 50% classified under the category ‘#1 Aligned with E/S characteristics’ all investments fall under the sub-category ‘#1B Other E/S characteristics’. This sub-category includes investments aligned with the



promoted environmental or social characteristics that do not meet the criteria for sustainable investments as defined under the EU Taxonomy and SFDR Article 2(17).

Monitoring of environmental or social characteristics

Environmental and social characteristics of the investments are monitored and evaluated on the basis of the Fund Manager's statement on Principal Adverse Impacts ("PAI") and the sustainability indicators in this statement, such as greenhouse gas emissions, biodiversity and social employee matters. The PAI statement will be updated on an annual basis.

Methodologies for environmental or social characteristics

The methodologies for environmental and social characteristics follow the methodology set out in Annex I (Principal adverse sustainability impacts statement) of the Commission Delegated Regulation (EU) 2022/1288.

Data sources and processing

ESG data is collected from external data providers such as Bloomberg.

Limitations to methodologies and data

Fenja Capital primarily invests in small and medium-sized companies. This may result in limitations in the available data, and data collection is therefore done to the best possible extent.

Due diligence

When assessing potential new investments a due diligence process is performed. This due diligence process screens the company for several criteria. Amongst other the process screens for:

- a) Whether the company is listed in countries subject to sanctions or trade blockades adopted by the UN or the EU and ratified by Denmark
- b) Whether the company are deemed to knowingly violate the principles of the UN Global Compact (UNGC)
- c) Whether the company performs activities that are part of Fenja Capital's exclusion list

As of the last update to the Policy, the exclusion list is as follows:

- Illegal activities
- Activities that contravene UN conventions, such as the manufacture and storage of convention-violating weapons or activities with a negative impact on human rights conventions

- Activities that unduly and significantly burden the environment and biodiversity, such as Arctic drilling for fossil fuel production, bottom trawling in fishing, and companies whose primary business activities are based on coal.
- Activities that have a destructive impact on local communities or people and cannot be mitigated
- Tobacco industry
- Human cloning
- Pornography

Engagement policies

Not relevant.

Designated reference benchmark

No specific index is applied as a designated reference benchmark.