

Sustainable Finance Disclosure Regulation (SFDR 2019/2088)

Website Disclosure

Financial Market Participant: Norrsken Launcher

Product Name: Stockholmslauncher Fund I AB

March 2025

Summary

Stockholmslauncher Fund I AB, the 'Fund', is considered to be an Article 9 'Dark Green' Fund type product under the EU Sustainable Finance Disclosures Regulation (SFDR), with sustainable investments as its objective.

No significant harm to the sustainable investment objective. The Fund is committed to avoid significant harm to environmental or social objectives and uphold good governance throughout ownership. Pre-investment, potential adverse impacts are assessed during due diligence, with companies screened for impact potential and compliance with sustainability standards. An Impact Assessment and Sustainability & PAI Questionnaire help identify and mitigate ESG risks, as detailed in our Responsible Investments Policy. Post-investment, portfolio companies report quarterly on Impact KPIs and annually on ESG and PAI indicators to meet SFDR criteria. The Fund aligns with OECD and UN guidelines, providing templates, guidance, and training to support companies in achieving sustainability goals and good governance.

Sustainable investment objective of the financial product. Norrsken Launcher Fund I AB (the "Fund") has sustainable investment as its core objective and aims to maximize positive impact with every investment, while delivering market returns to its investors. This is achieved by investing in early-stage businesses (typically Pre-Seed or Seed) anchored in transformative research with a demonstrable contribution to at least one UN Sustainable Development Goal (SDG).

Each investment must meet the SFDR's definition of a 'sustainable investment' (EU Regulation 2019/2088, Article 2.17). To qualify as an impact investment, the portfolio company's business model must intrinsically incorporate contributions to the UN SDGs, so that as the company grows, its positive impact grows proportionally.

Investment strategy. The Fund's main goal is to work with world-class researchers and scientists to industrialise, commercialise and scale innovations that can fundamentally transform the future for people and the planet, while simultaneously achieving traditional VC returns. The Fund is a Nordic based early-stage investor, with global focus, that aims to build "impact unicorns" — companies valued at over 1 billion USD that also positively impact one billion lives. Each investment must align with the UN Sustainable Development Goals, emphasising measurable impact, groundbreaking science, and exceptional leadership. The Fund aims to invest in approximately eight companies, with follow-on investments for top performers. Good governance, ESG, and sustainability practices are assessed and supported pre- and post-investment. The Fund offers operational support and strategic guidance to its portfolio companies, aiming for exits within eight years. Quarterly portfolio reviews assess and prioritise investments, maintaining a focus on high-potential companies.

Proportion of investments. The Fund's determination is that 100% of its investments meet SFDR's 'sustainable investment' criteria. The Fund does not prioritise specific impact areas or SDGs, and does not pre-define a distribution between environmental and social objectives. Investments span a wide range of sustainability objectives, and Norrsken Launcher's Impact Assessment helps identify qualifying investments. Recognizing the challenges of early-stage investments, the Fund is committed to helping portfolio companies meet sustainable investment criteria.

Monitoring of social and environmental characteristics. The following sustainability indicators will be used to measure attainment of the sustainable investment objective. These will be continuously developed and improved to accurately capture the impact and sustainability of all our investments.

(I) Share of investments which are classified as 'sustainable investments' (SFDR 2019/2088 Article 2.17)

(II) Aggregation of the Fund's impact performance against aggregated portfolio targets.

Methodology. Each potential portfolio company is evaluated for its impact potential before investment. The Fund measures two key indicators: the share of investments classified as ‘sustainable investments’ as per EU Regulation 2019/2088, Article 2(17), and the aggregation of impact performance against portfolio targets. A defined framework is used to help investments meet SFDR’s sustainable investment criteria, monitored through annual ESG reporting. The Fund tracks and reports quarterly on Impact KPI targets to assess overall performance and address any gaps with portfolio companies. Methods for evaluation are continuously improved to accurately capture impact and sustainability.

Data sourcing and processing. Impact KPIs are defined for each portfolio company, and data to achieve the sustainable investment objective is primarily sourced from these companies. Although the Fund aims to use objective, quantitative data, the early-stage nature of investments often requires companies to use estimates. These estimates, based on high-quality sources like scientific reports, are considered more relevant and accurate than direct calculations made by the companies themselves.

Limitations to methodologies and data. Given the early-stage, often pre-commercial nature of our investments and their use of innovative technologies, established methodologies and historical data for measuring positive impact are often lacking. As the Fund relies on data collected from portfolio companies to measure sustainable objectives, some companies may still be developing their data collection capabilities or adapting their business models to find market fit. This may cause deviations between actual and estimated impact; however, the Fund believes that measurements will generally be directionally accurate. We work closely with each company on their impact journey to refine these measurements over time. The Fund continuously seeks to enhance its measurement methodology and implement new best practices, standards, methodologies, and data sources as the industry evolves.

Due diligence. The due diligence process assesses impact potential and conducts an ESG review using data from multiple sources, including third-party experts if needed. Company data and the Impact Assessment Framework identify ESG risks and opportunities. Impact workshops define long-term visions and KPIs for

quarterly reporting. Findings are included in investment proposals and discussed in Investment Committee meetings. Investments are avoided if adverse impacts outweigh positive ones. Due diligence is managed internally, with external validation as needed. The steps are outlined below.

Engagement policies. The Responsible Investment Policy outlines the Fund's portfolio engagement practices. When the Fund has significant influence, it integrates impact and ESG topics into Board Meeting agendas and daily operations. If not, it monitors impact and ESG data through annual reports from portfolio companies. An impact side letter as part of the Investment Agreement requires companies to annually disclose how they manage ESG risks and opportunities, integrate them into operations and strategy, and report any incidents and mitigation efforts.

Attainment of the sustainable investment objective. Given the Fund's diverse sustainability objectives, identifying a single relevant index for comparison is challenging. Therefore, the Fund uses a sustainability assessment methodology developed within the Norrsken ecosystem. This approach identifies qualifying investments within each sustainability objective and monitors their progress on a quarterly and annual basis.

No significant harm to the sustainable investment objective

The Fund is committed to minimising the risk that its investments cause significant harm to any environmental or social objective, and that good governance is duly upheld throughout the ownership period, which is reflected in our Responsible Investments Policy. Potential adverse impacts of each portfolio company have been considered and will continue to be monitored during the ownership period.

During pre-investment phase: Potential adverse impacts of investments are considered throughout the due diligence process to help prevent significant harm.

(I) Before entering the due diligence stage, the company is screened both for impact potential and potential adverse impacts of the business model. The company is also screened against a list of excluded activities that the Fund will never invest in. This

list can be found in our Impact Assessment methodology.

(II) Once the company enters due diligence, the deal team conducts an impact assessment of the company, assessing both upside impact potential and possible adverse risks. This is based on desktop research and in-depth interviews with the company, as well as an extensive Impact Workshop mapping out the company's contribution to the SDGs.

(III) All portfolio companies fill out a Sustainability & PAI Questionnaire, which is inspired by the regulatory guidance available on SFDR's Principle Adverse Impact. This questionnaire contributes to our ability to identify and mitigate any ESG risks or opportunities.

(IV) Any potential adverse impact risks are subsequently discussed with the team.

(V) Upon making an investment, an impact side letter as part of the Investment Agreement regulates the portfolio company's commitment to provide adequate sustainability reporting and evidence that the company contributes to an environmental or social objective while not doing any significant harm to any of the other sustainability objectives. This includes: i) identification and management of ESG risks, whereby the Fund will require the Portfolio company to report ESG incidents annually, and ii) development and adoption of a good governance framework. If the company does not have adequate sustainability standards and code of conduct for its business in place upon investment, the company commits to establishing this as soon as reasonably possible following investment.

During ownership phase: Efforts to prevent portfolio companies from causing significant harm extend beyond the pre-investment period to the ownership period as well.

(I) Impact and ESG reporting is essential to understand how the Fund's Portfolio companies mitigate potential risks. Portfolio companies must provide quarterly statements outlining their Impact KPIs, as agreed with the Fund, subject to continuous review. Additionally, the Fund also intends on conducting annual ESG and PAI reporting, covering ESG risks, mitigations, incidents, and policy

implementation. This will enable us to have comprehensive data across the portfolio to help each company meet SFDR's sustainable investment criteria and avoid significant harm while achieving sustainability goals.

More information on PAI: PAI indicators are considered in the pre-investment phase of our investments and will continue to be considered in the post-investment phase, to verify that the 'Do not significant harm' is true to all portfolio companies. PAI indicators will also form an important part of the Annual ESG Reporting that we intend to launch for the year 2024. This will contribute to our ability to continuously identify, document and mitigate any ESG risks or opportunities, and we intend to provide our portfolio companies with support in terms of templates and guidance to further improve on the PAI indicators.

More information on alignment with international principles and standards: The OECD Guidelines and UN Guiding Principles on Business and Human Rights have informed the Sustainability & PAI Questionnaire and Impact Assessment framework used in the Impact Workshop, that we use to screen all portfolio companies to verify that they meet SFDR's 'good governance' requirements. As we review the results and identify potential gaps, we intend on providing the companies with recommendations and policy templates that comply with these guidelines. We intend on providing more training on these guidelines, to drive increased adoption and improvement in this area.

Sustainable investment objective of the financial product

The Fund has sustainable investment as its core objective, and aims to maximise positive impact on people and planet with every investment, while delivering market returns to its investors. This is achieved by investing in early-stage businesses (typically Pre-Seed or Seed) anchored in transformative research with a demonstrable contribution to at least one UN Sustainable Development Goal (SDG).

To meet the Fund's sustainable investment objective, each investment must meet the SFDR's definition of a 'sustainable investment' (EU Regulation 2019/2088, Article 2.17). To be considered an impact investment by the Fund, positive impact must be a core and intrinsic part of the portfolio company's business model. This

means that the contribution to the UN Sustainable Development Goals must be incorporated in the business model in such a way that when the company grows (depending on the stage of the company, this can be in revenue, cost, or employee growth) the contribution to the UN SDGs also grows, ideally proportionally.

The Fund does not prioritise between impact areas or SDGs and, therefore, does not pre-define a distribution of investments made in companies with environmental versus social objectives. The Fund aims for 100% of its investments to be impact investments that meet the Fund's definition for both impact and sustainability, in line with EU Regulation 2019/2088 2(17).

Investment strategy

Norrskan Launcher's key goal is to back early-stage innovations and scientific breakthroughs that have the potential to fundamentally transform the future for people and the planet while also building successful businesses generating traditional VC returns. Norrskan Launcher refers to these companies as impact unicorns: companies that are not only valued at or above 1 billion US dollars but also companies that have the potential to positively impact the lives of one billion people. Norrskan Launcher is sector agnostic and European-focused but expects most of its deals to be Nordic-based.

The Fund's key investment pillars are summarised below:

(I) **Impact potential:** Investing across all UN Sustainable Development Goals with no limit to a specific vertical, but a requirement that impact is intentional and clearly measurable.

(II) **Groundbreaking science or project:** Focusing on cutting-edge and deep technology solutions that are based on solid research foundations, with product differentiators and a competitive IP position.

(III) **Exceptional researcher and/or technology:** Partnering with exceptional, impact-minded founders who are obsessed with their solution, have a stellar track-record in their research field, and are open to collaborating with Norrskan Launcher to receive support in complementing areas.

(IV) **Financial potential:** Seeking out companies that are active in markets with strong financial outlooks, where they have the potential to take a significant market share and scale into massive companies.

(V) **Where Norrsken Launcher adds value:** Investing in companies that are at an early stage and where Norrsken Launcher can add value. The company should therefore be in search of support in transforming into a scalable business, and Norrsken Launcher should have a clear value creation hypothesis.

Norrsken Launcher Fund I will invest in approximately eight companies, and the expectation is that approximately six of these will receive follow-on investments. The expectation is further that approximately 30% of deployable capital will be invested as the initial investment ticket and approximately 70% will be used for follow-on investments in order to fully capitalise the option to invest more in top performers. The Fund will target companies that are around seed-stage, with a focus on the Nordics, but have the option to be opportunistic globally. Norrsken Launcher's key USP as an investor is its Partner's experience as company builders and the network that has been built therethrough. For the initial investments, Norrsken Launcher will strive to lead or co-lead with a strong partner to achieve significant influence. Upon an initial investment in a company, Norrsken Launcher will offer deep operational support and significant involvement in fundraising work. Norrsken Launcher will then scale down its involvement after three to nine months with subsequent engagement through potential board representation. The expectation is to implement the exit strategy within eight years from first investing in a company, to strategic industry leaders, VC/PE players in later rounds or IPOs.

Each investment must align with SFDR's definition of a 'sustainable investment', set out in EU Regulation 2019/2088, Article 2(17). Thus, we evaluate impact potential and impact as intrinsic to the business. Additionally, we engage in proactive sustainability/ESG screening both before and after investment. This approach not only drives value creation and reduces business and investment risks but also promotes more responsible business conduct. Good governance is a key component of the SFDR's definition of a sustainable investment, and all portfolio companies must meet the minimum standards outlined in our Responsible

Investment Policy. These include maintaining high standards of business ethics, actively combating corruption in all its forms (including extortion, bribery, and other unethical practices), and complying with applicable antitrust and competition laws. Additionally, each company's CEO and management team are responsible for executing strategy and daily operations according to board-established policies. Companies also develop policies for compensation, audit, and risk management to align the interests of owners and management.

Good governance practices are assessed both pre-investment and post-investment. Good governance practices, including sound management structures, employee relations, staff remuneration, and tax compliance, are assessed both pre-investment and post-investment.

Pre-investment, good governance practices are assessed in the due diligence stage through the Sustainability & PAI Questionnaire, which asks about what policies, practices and processes that the company currently has in place. Combined with the ESG risk analysis of the company and industry, the due diligence identifies critical governance practices based on the risks identified in the business or industry, to implement these either pre- or post-investment. Given the early-stage nature of our investments, many will not have this framework fully developed upon investment. These companies will commit to establish appropriate sustainability standards and code of conduct for their businesses as soon as reasonably possible following investment, alongside mitigation of any other risks identified through the due diligence process.

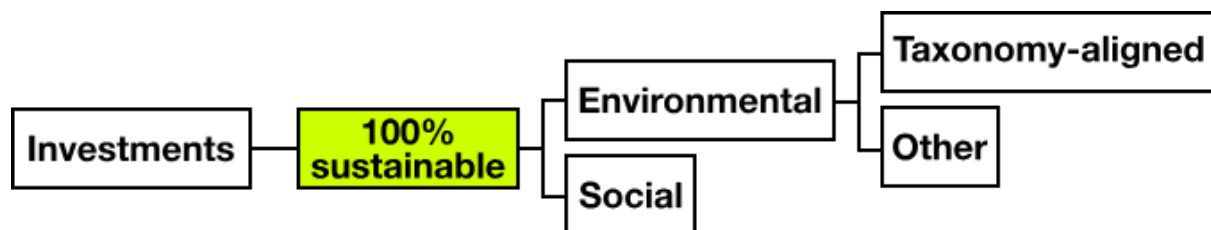
Post-investment, good governance practices are assessed through annual ESG reporting and PAI reporting, through which companies are requested to share i) the key ESG risks as identified by the Company; ii) the mitigations of such identified risks; and iii) any ESG incidents that have occurred during the year. Furthermore, if the Fund has significant influence over the portfolio company's structure and governance, we exercise this influence at the Board of Directors' level and establish good governance as a key agenda for Board meetings. Although the responsibility for good governance remains with the portfolio company, the Fund provides continuous support to build their capability and understanding of governance, through guidance, training and templates. This starts shortly after investment with

an impact onboarding.

Norrskan Launcher intends to be proactive in its portfolio management. Each quarter, an in-depth review of the portfolio will be done during which the quarterly KPIs are reviewed, overall performance over the last quarter is reflected on and a performance traffic light is assigned to each investment. As a team, priorities will be set for the next quarter in terms of which companies to focus and spend time on.

Proportion of investments

Our determination is that 100% of the Fund's investments meet SFDR's requirement of a 'sustainable investment'. However, because we are a new Fund, we are unable to specify the extent to which the companies with an environmental objective align with the EU Taxonomy as we have not yet conducted a full EU Taxonomy assessment. This will be conducted in 2024.



The Fund does not prioritise between impact areas or SDGs and, therefore, does not pre-define a distribution of investments made in companies with environmental versus social objectives. Since the Fund makes investments across a wide range of sustainability objectives, it is difficult to identify one relevant index that enables comparison within and across the portfolio. Our impact assessment methodology, detailed in our Responsible Investment Policy, enables us to identify investments that qualify within each sustainability objective.

Given the early-stage nature of our investments, we recognize the challenges in ensuring all companies can meet the sustainable investment objective. However, the Fund has structured its investment process to uphold this commitment and will closely collaborate with each portfolio company to achieve these criteria. The Fund does not invest in derivatives.

Monitoring of social and environmental characteristics

The Fund uses the following sustainability indicators to measure its attainment of the sustainable investment objective:

(I) Share of investments which are classified as ‘sustainable investments’, in line with SFDR 2019/2088 Article 2(17): 100% of the Fund’s investments are classified as ‘sustainable investments’, in line with SFDR’s definition. An overview of our Impact Assessment methodology can be found in the appendix.

(II) Aggregation of the Fund's impact performance against aggregated portfolio targets (weighted by investment amount): Impact targets have been set for each of the active investments. The Fund will track performance of these targets on a quarterly basis, to indicate to what degree the Fund performed.

Methodology

Each potential portfolio company is evaluated for its impact potential before the Fund makes an investment. The two indicators identified above are measured in different ways, as set out below. Our methods will be continuously developed and improved, to truly capture the impact and sustainability of our investments.

(I) Share of investments which are classified as ‘sustainable investments’ (SFDR 2019/2088 Article 2.17)

The Fund has defined a framework for how we define and will measure a ‘sustainable investment’, which aligns with SFDR’s definition set out in EU Regulation 2019/2088 Article 2(17) and sets out our interpretation of the Regulation and approach to achieve this:

Upon investment, these criteria should already be met, or companies should commit to a timeline for implementing anything outstanding. This is subsequently monitored in the annual sustainability reporting, where critical information is gathered from each company to evaluate whether companies meet all the criteria, identify gaps, and then work with the companies to close these gaps.

(II) Aggregation of the Fund's impact performance against aggregated portfolio targets.

The Fund will track performance of these Impact KPI targets on a quarterly basis, and report on the Fund's aggregated portfolio targets in the next report, to indicate to what degree the Fund performed.

Data sourcing and processing

The impact KPIs are defined for each individual portfolio company, and the data to attain the sustainable investment objective primarily comes from each portfolio company. While the Fund strives to use objective and quantitative data, the early-stage nature of our investments often means that companies will need to use estimates as part of their calculations. Estimates or assumptions are typically based on high quality sources (such as scientific reports), and thereby considered more relevant and accurate, than if the company (with limited resources) would make the calculations directly themselves.

Limitations to methodologies and data

Due to the nature of the Fund's investment scope, i.e. early-stage companies that oftentimes are pre-commercial and often use innovative technologies to generate impact, established methodologies and historical data for measuring positive impact are many times lacking. Also, the Fund relies on data collected from the portfolio companies to measure attainment of its sustainable objective, cognisant that some companies will still be building their data collection capability, or adapting their business model to find market fit. This may create some deviation between actual and estimated impact; however, the Fund believes that in most cases, the measurements will still be directionally right, and work closely with each company on their impact journey to help them iterate and finetune this over time. Since the Fund defines very high impact ambitions for all investments, the portfolio company is still likely to attain the sustainable investment objective even if actual impact is lower than estimated.

To mitigate limitations of the measurement methodologies, the Fund seeks to

continuously enhance its measurement methodology, and implement new best practice, standards, methodologies and data sources that emerge as the industry continues to develop.

Due diligence

The due diligence is designed to assess impact potential and conduct a full ESG review, by gathering information from multiple sources, including third-party industry experts, through the steps outlined below. Commercial and financial due diligence is handled in parallel.

a) Impact potential and sustainability are assessed using company-provided data and our Impact Assessment methodology, detailed in our Responsible Investment Policy. This includes the Sustainability & PAI Questionnaire, which identifies ESG risks and opportunities, as well as PAI indicators (SFDR).

b) Impact workshops are conducted with portfolio companies to define their theory of change, setting long-term visions and short-term KPIs for quarterly reporting. These issues and opportunities are included in investment proposals, discussed during Investment Committee meetings, and reflected in Investment Agreements. If adverse impact risks outweigh positive impacts, the investment is not made.

Due diligence is currently handled internally, with engagement of external third party experts as needed, to validate the impact and investment case of each investment.

Engagement policies

The Fund's policy and practices relating to portfolio engagement are outlined in our Responsible Investment Policy.

Where the Fund has a significant influence over the portfolio company's structure and governance, the Fund actively engages with management and aims to include impact and ESG topics in Board Meeting agendas and work to integrate them into daily operations. Where significant influence is not held, the Fund monitors impact and ESG related data, including risks and opportunities, through annual reports

from portfolio companies. In an impact side letter as part of the Investment Agreement, portfolio companies agree to annually disclose to the Fund how ESG related risks and opportunities are managed and integrated into both daily business operations as well as long-term business planning and strategy, including any incidents occurred and mitigation efforts.

Attainment of the sustainable investment objective

Since the Fund makes investments across a wide range of sustainability objectives, it is challenging to identify one relevant index that enables comparison within and across the portfolio. Instead, we have based our Impact Assessment methodology on one which has been developed and trialled within the Norrsken ecosystem. This enables us to identify investments that qualify within each sustainability objective, and monitor their attainment on a quarterly and annual basis.