2025 Sustainability Report

MARCH 2026

Nordic Alpha Partners

Contents

01 About this report

Welcome to Nordic Alpha Partners' (NAP) Sustainability Report 2025. This report outlines our impact ambitions, presents the direct impact of our portfolio companies, and summarises the sustainability-related work we undertake as an investment manager.

Please note, the sustainability data presented in this report is self-reported and unaudited. Financial data is subject to revision in the relevant audited financial statements.

02 Message from the team

Message from the team

2025 was an exciting year for NAP. With our growing team, we have operationalised our investment strategy and value creation approach – establishing a strong pipeline, adding new portfolio companies and delivering solid operational progress and commercial momentum.

European reindustrialisation
Europe stands at a decisive moment in its industrial and energy transformation. The continent continues to produce world-class innovations in materials, energy, automation, and circular technologies, yet too few of these hard-tech breakthroughs ever scale into competitive industrial champions. The problem is not invention; it is commercialisation. At the same time, shifting trade dynamics and sustained geopolitical headwinds have exposed the limited resilience of European supply chains, underscoring deep dependencies on external actors for critical raw materials, energy inputs, and strategic technologies – revealing an urgent need to rebuild industrial capacity and strategic autonomy across the continent. In this context, clean energy and decarbonisation are no longer climate objectives but fundamental for long-term economic security, competitiveness and sovereignty.

At NAP, our investment philosophy aligns with this systemic imperative. We recognise that scalability – not just innovation – will determine which technologies transform industries, reduce emissions at scale and make economic systems more resilient and prosperous. We believe that the ability to manage what we refer to as hypertransformation – the coexistence of multiple complex internal and external forces – will determine the success of technology scaling and commercialisation. By deploying capital alongside our unique value creation toolkit and numerous support capabilities, we aim to address this challenge by scaling green technology companies into resilient and commercially dominant leaders of the energy and industrial transition. This strategic focus has guided our efforts throughout 2025 – shaping our portfolio, driving measurable impact, and positioning us at the forefront of private equity's role in European decarbonisation and resilience efforts.

Portfolio company performance
In 2025, our Fund II portfolio companies delivered average annual growth of 37% (97% sales growth). To highlight a few, STABL Energy further positioned its advanced battery inverter technology as a direct competitor to Chinese battery dominance, growing its order-intake by 668% since NAP's entry two years ago. Another company that saw solid commercial development in 2025 was Swedish Airwatergreen that further penetrated the global food and beverage industry with its advanced and energy efficient industrial dehumidification systems. A single industrial HVAC system from Airwatergreen delivers up to 32 MWh of annual energy savings, making significant electricity and greenhouse gas (GHG) emissions reductions.

New investments in 2025
Two new investments were made in 2025. The first one was the innovative German WaterTech company, Variolytics that with its unique approach to managing wastewater gasses tackles an emission problem accounting for more than 2% of total global GHG emissions. In our first year of ownership, Variolytics expanded to three new countries, doubled its revenue, expanded the installed customer base with 400% and avoided more than several 100 thousand tonnes of CO_2e.

The second was the acquisition of MicroShade, a construction material technology company. MicroShade's advanced micro-3D structure is the only passive shading solution that effectively removes solar energy penetration in buildings. MicroShade tackles a major problem, as cooling of buildings is a key contributor to global emissions. MicroShade's unique technology is already installed in 15 countries on multiple continents, and we look forward to accelerating the global adoption of this important technology platform.

Large and growing sustainable impact
In 2025, Fund II portfolio companies helped avoid over one million tonnes of GHG emissions, equivalent to the CO_2 emissions from 200-250,000 roundtrip intercontinental flights[1] or 2.5% of Denmark's annual emissions.[2] This represents a 2,838% increase from 2024, primarily driven by the substantial reduction potential of Variolyt-

ics in the wastewater industry, but also by the growth of STABL. Taxonomy alignment is pursued for all our investments. Fund II portfolio alignment decreased from 100% in 2024 to 77% in 2025. In 2025 it was our priority to close the Taxonomy alignment gap for Variolytics and establish action plan for MicroShade. We are pleased to report that Variolytics is aligned with all the taxonomy alignment requirements in 2025, except for the third party independent verification of its carbon life cycle assessment, which was finalised in February 2026.

Sustainability as a value driver

Despite recent backlash against ESG rhetoric, NAP remains firmly committed to integrating sustainability considerations into its investment and value creation processes. We do so because we believe sustainability is a key driver of long-term value creation and resilience. Sustainability strengthens companies' value propositions, supports product and service innovation, and enhances employee productivity and engagement. At the same time, resource efficiency, sound governance, and robust supply chain management help protect margins, manage risk, and improve operational resilience in an increasingly volatile environment. In 2025, we for instance saw that taxonomy alignment efforts – initially initiated by compliance – ended up providing informative business insights and commercial value. Furthermore, we saw that the documentation of positive environmental impact ensured a lower cost of capital for a portfolio company. Finally, actions within diversity, equity and inclusion allowed young companies – rapidly growing their organisations – to manage employee retention, productivity and engagement risks and opportunities.

Ecosystem engagement

In 2025, NAP deepened its ecosystem engagement to help align policymakers, regulators, investors, and companies on how Europe can successfully scale green and industrial technologies. Our efforts focused on demystifying re-industrialisation and hypertransformation through policy dialogue, industry leadership and education. We engaged closely with EU institutions, including the European Commission, and contributed to policy development via platforms such as Cleantech for Europe and the Green Finance Institute. We actively shaped industry discourse through keynote and panel participation across Europe. Together with DTU, we delivered two successful cohorts of the Global Re-Industrialisation Programme (GRIP), equipping 46 senior decision-makers with new tools and language. We also invested in future talent through our FinanceLab partnership with Copenhagen Business School and shared insights through publications and thought leadership.

Outlook for 2026

2026 started strong, with new additions to the portfolio in the form of Additive Drives and Hybrid Greentech in January – both companies that accelerate the electrification of the economy in distinct manners. The two investments are true testaments to our value creation model. First, extensive strategy development sessions and collaboration with the management team ensured that NAP converted Additive Drives – a company not even looking for capital – as an investment. With Hybrid Greentech, NAP swiftly turned an open M&A process into an exclusive strategy and DD process for NAP. Here, the focus was to develop a capital-efficient European expansion strategy centred on NAP's hyper-replication framework, disciplined execution, and data-driven approach. Near-term engagement efforts for these two new investments will be oriented towards strategy execution, achieving taxonomy alignment and establishing a capability-based governance process ready to navigate hypergrowth.

Laurits Bach Sørensen
Senior Partner, Value Creation and Co-Founder

Rasmus Lund
Senior Partner, Investments and Co-Founder

Troels Øberg
Senior Partner, Operations and Co-Founder

1. Assumption: 4-5 tonnes CO_2e/passenger/round-trip flight.
2. Denmark's total GHG emissions (without LULUCF) in 2023. Source: Link

03 2025 highlights

A year with significant milestones for NAP and our portfolio companies

IMPACT HIGHLIGHTS

INVESTMENT HIGHLIGHTS

INTERNAL HIGHLIGHTS

PORTFOLIO COMPANY HIGHLIGHTS

1,015,163 tonnes

Fund II's portfolio companies avoided over one million tonnes of GHG emissions.

77%

77% fund II portfolio taxonomy alignment. Variolytics closed all except one gap for taxonomy alignment.

UN PRI Signatory

NAP became an official signatory to the UN-supported Principles of Responsible Investment (PRI).

Increased its portfolio company engagement activities

NAP strengthened its portfolio company engagement activities – in particularly on topics within Diversity, Equity and Inclusion, operational environmental sustainability and taxonomy alignment.

Launch of GRIP

Two cohorts completed the Global Reindustrialisation Programme (GRIP), with 46 participants graduating.

Acquisition of Microshade

In August, the Danish solar-shading technology company, Microshade was acquired.

Investment in Variolytics, Additive Drives and Hybrid Greentech

Investment in Variolytics, the German wastewater treatment technology company. Investments in Additive Drives and Hybrid Greentech were finalised in January 2026 following extensive pre-investment work conducted during 2025.

Divestment of Sunroof

In December, Sunroof was divested.

37% revenue growth and 97% sales growth

Average annual revenue growth of 37% (97% sales growth) across the NAP Fund II portfolio.

Internal highlights

Improved employee benefits

2025 saw several internal operational improvements related to insurance, parental leave and overall employee welfare.

New hires

Four new hires (Alice, Kasper, Peter and Nikolaj) joined the team, and two student assistants (Mikkel and Mikkel) transitioned into full time roles.

Enhanced investment decision making

NAP enhanced and documented its investment decision processes, including those related to ESG-related ones.

NIKOLAJ AND HELLE

Airwatergreen

Launched a Special Purpose Vehicle supported by sustainable-guarantee financing to strengthen its leasing model and accelerate sales of NEXT units.

MicroShade

Signed the largest contract in MicroShade's history, covering 2,500 m^2 of glass installations.

STABL

Developed new and diverse applications for its technology – including e fleet operations, maritime electromobility, coating processes and compost manufacturing – resulting in 668% order intake growth over the past two years.

Sunroof

Enabled the generation of 54,633 MWh of renewable energy for customers, equivalent to 18,263 tonnes of avoided GHG emissions.

Variolytics

Installed systems at 61 new plants and expanded operations from one to three countries, with lighthouse projects initiated in four additional countries.

Agrointelli

Delivered 13 Robottis to customers.

AquaGreen

Delivered five HECLA 1000 plants to customers and recently made its first order outside the Nordics signing a contract with Thames in London, one of Europe's largest water utility companies.

DyeMansion

Acquisition of ASM to consolidate market and deliver the most comprehensive Vapor Smoothing portfolio.

Mater

First order of 150 units in Matek® in US was made through the Haworth partnership.
A new commercial agreement has been signed with Haworth International, covering Europe with Germany, Austria, Switzerland, and France as the scope markets.

04 About Nordic Alpha Partners

Everything we do at NAP serves a dual purpose: delivering strong financial returns while achieving industry-leading levels of avoided GHG emissions.

MIKKEL AND ALICE

Nordic Alpha Partners at a glance

Everything we do at NAP serves a dual purpose: delivering strong financial returns while achieving industry-leading levels of avoided GHG emissions

Industrial GreenTech in the **Nordics & Germany**

Fund I Vintage 2017

- Fund size: EUR 126m
- Investments: 10 investments
- Select exits: Wiferion (exit to Tesla), Spirii (exit to EdenRed)

Fund II Vintage 2023 (Current investment vehicle)

- Fund size: EUR 266m
- Number of investments: Seven (as per January 2026)
- Target portfolio size: 10-12 investments
- Characteristics: SFDR Article 9 Fund with 60% taxonomy alignment

Specialists in **Scaling & Transformation**

- Highly operational approach, with more than 60% of the team dedicated to value-creation activities
- Value creation model and toolbox developed for high-growth hard tech businesses
- Pre-investment strategy process based on NAP's value creation model to de-risk and enable fast-paced post investment scaling
- Exit planning focuses on identifying internal and external milestones, phases and strategies that help unlock valuation peaks

Backed by **reputable European investor base** and Senior Advisory Board

Investor base

novo holdings · CIP Copenhagen Infrastructure Partners · European Investment Fund · EIFO · Allianz · ABN·AMRO · UNIGESTION · KFW

Advisory board

Philip Christiani
Senior Advisor

Jim H. Snabe
Senior Advisor

Christian Clausen
Senior Advisor

Investment team

Rasmus Lund
Senior Partner, Investments and Co-Founder

Shari Rana
Investment Director

Marius Ipsen
Investment Vice President

Ida Gram Blenstrup
Investment Manager

Mikkel Trampe Broch
Investment Associate

Mikkel Flaga Vindelev
Investment Associate

Alice Almgren
Investment Analyst

Peter Erik Tinning Jelsbech
Investment Analyst

Value Creation team

Laurits Bach Sørensen
Senior Partner, Value Creation and Co-Founder

Jannik Brey Christensen
Value Creation Partner

Nikolaj Magne Larsen
Partner

Karsten Gam
SWAT and Talent Director

Gustav Højmark-Jensen
Head of Communication & Platforms

Alexander Tengberg
Finance Manager

Kasper Linde Kroager
Value Creation Consultant

Operations team

Troels Øberg
Senior Partner, Operations and Co-Founder

Morten Westh Naldal
Partner, General Counsel

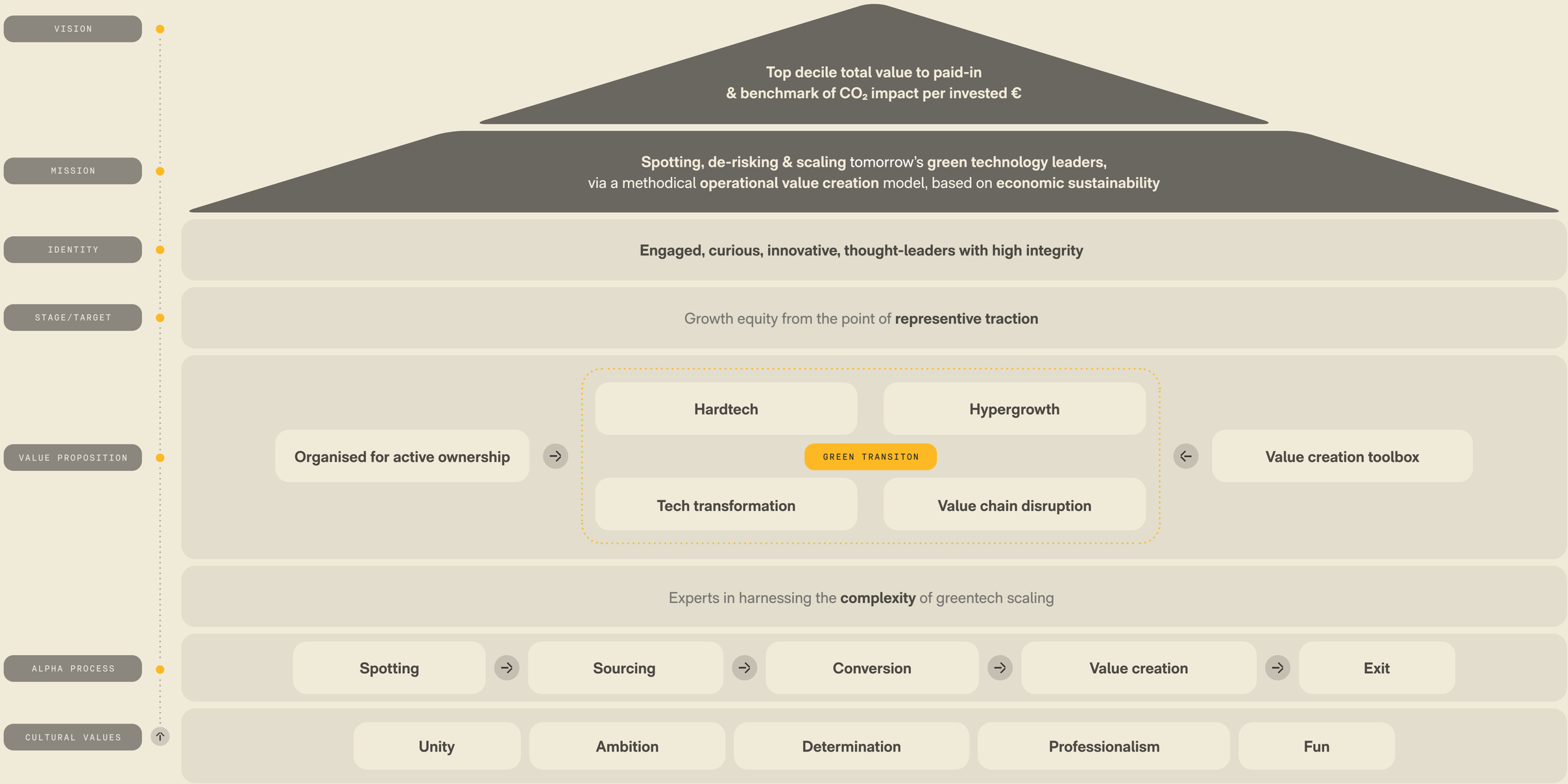
Hannah Perregaard
Head of ESG, Vice President

Helle Kalsgaard Årdal
Management Assistant

Key milestones

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
FUND I	**126m EUR** raised for NAP Fund I to invest in small and medium sized high-growth manufacturing companies. One of the largest 1st growth funds at the time	First NAP Investment	**1st investment outside Denmark** (Wiferion in Germany)	Investment in **Agrointelli** and **DyeMansion**	**IPO** of Green Hydrogen Systems and Re-Match Investment in **Spirii** and **Mater**	Full deployment of Fund I	**NAP exits Wiferion.** Sold to Tesla	**NAP exits Spirii.** Sold to EdenRed, a French CAC40 company		
FUND II						Fundraising for Fund II starts	**1st close NAP Fund II** (SFDR Article 9) focused on high-growth greentech companies **Fund II investments** (Sunroof, STABL, Airwatergreen)	Fund II closes with investor **commitments of 266m EUR**	Investment in **Variolytics** in January Investment in **MicroShade** in August Above **1,000,000t** CO_2e avoided	Investment in **Additive Drives** and **Hybrid Greentech** in January
NAP				Team of 10 professionals	**Awarded Den Grønne Pris 2021** (The Green Prize) by the Danish Association of Active Owners		NAP opens **office in Munich**	Named **"Impact Fund of the Year"** by Real Deals	Team of **19 professionals** Signatory of **UN PRI**	

Strategy House



05 Sustainability at Nordic Alpha Partners

INVESTMENT VALUE POOLS

APPROACH TO FINANCING AND SCALING GREEN TECHNOLOGIES

SUSTAINABILITY INTEGRATION IN THE INVESTMENT PROCESS

SUSTAINABILITY AS A VALUE DRIVER

DEEP DIVE ON OPERATIONAL ENVIRONMENTAL SUSTAINABILITY

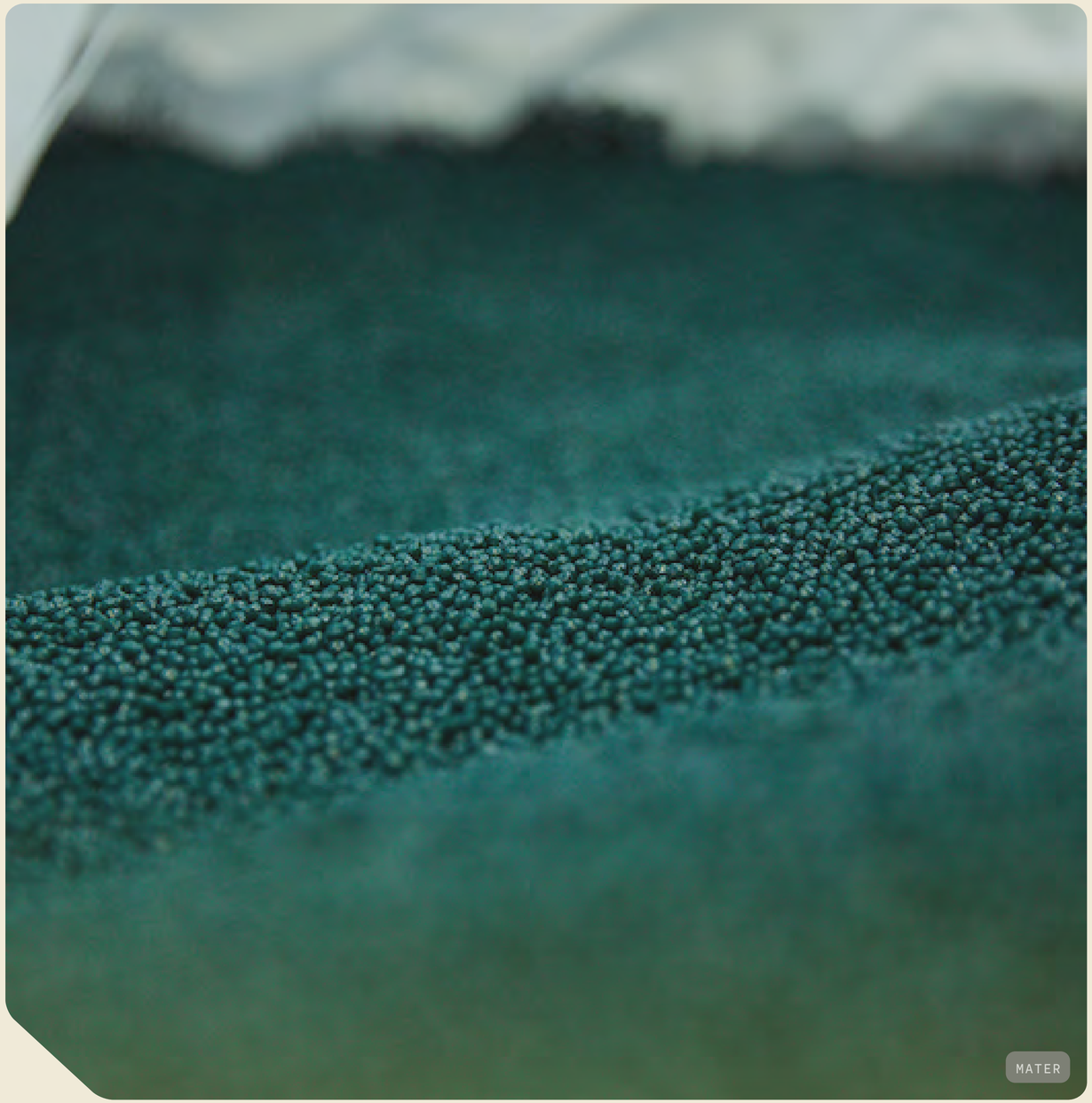
IMPACT BEYOND NORDIC ALPHA PARTNERS

Europe excels in innovation across materials, energy, automation and circular technologies, yet too few solutions scale into competitive industrial champions. The central challenge lies in commercialisation and capital efficient scaling: turning proven technologies into profitable businesses capable of anchoring Europe's new and existing industries.

At the same time, shifting trade dynamics and sustained geopolitical headwinds have exposed the limited resilience of European supply chains, underscoring deep dependencies on external actors for critical raw materials, energy inputs, and strategic technologies, and revealing an urgent need to rebuild industrial capacity, redundancy, and strategic autonomy across the continent. NAP invests in technologies that scale on commercial merit while advancing Europe's net zero goals. Across six core value pools, we target companies that deliver measurable decarbonisation, capital efficiency, industrial relevance and resilience – supporting Europe's strategic autonomy and climate objectives.

Value pools

- Energy transition
- Agriculture, food and forestry
- Building and construction technologies
- Industrial decarbonisation
- Circular economy and waste
- Water and wastewater



Investment value pools

1 Energy transition

Europe must nearly quadruple installed renewable capacity by 2035 to stay on track for net-zero by 2050[3]. Decarbonising energy systems requires widespread electrification and resilient infrastructure capable of handling variability, peak demand and climate stress. Recent developments show the transition is as much about security and competitiveness as climate. NAP invests in technologies that cut emissions across clean energy production, storage and efficiency — including next-generation batteries, grid optimisation and electrification solutions. As policy moves from capacity subsidies to system resilience, we prioritise technologies that strengthen grid stability, flexibility and decentralisation, accelerating the phase-out of fossil fuels while bolstering Europe's energy sovereignty.

2 Agriculture, food and forestry

Agriculture and food systems account for approximately one-third of total anthropogenic GHG emissions, which in absolute terms has increased 21% between 2001 and 2023[4]. At the same time, these systems are increasingly shaped by geopolitical considerations around food security, input availability and climate resilience. NAP targets innovations that enhance both sustainability and productivity, including precision farming, soil health solutions, alternative proteins, automated agriculture and AI-driven farm management systems. These technologies reduce emissions intensity, optimise resource use and improve resilience to extreme weather and supply-chain disruptions.

3 Building and construction technologies

Buildings are responsible for 42% of total energy consumption and a third of total material consumption by weight in Europe[5]. Achieving net zero requires rapid gains in efficiency, low-carbon materials and circular construction. NAP invests in low-carbon materials, passive and integrated energy systems, high-performance insulation and circular building components. These solutions cut embodied and operational emissions, improve resilience to climate and energy price risks, and deliver strong customer economics – helping turn net zero ambition into real-economy progress.

4 Industrial decarbonisation

Europe's industry must cut emissions while staying competitive amid high energy costs, carbon constraints and global competition. NAP invests in technologies that decarbonise and optimise production, including new materials, additive and advanced manufacturing, automation, AI-enabled process control, dehumidification and high-efficiency climate solutions. These innovations reduce energy and resource use without replacing existing assets, improving unit economics as well as environmental performance. As a result, they support economically durable net zero pathways aligned with Europe's re-industrialisation goals.

5 Circular economy and waste

The world consumes over 100 gigatonnes of materials each year, yet only 8.6% are reused. It is assessed that circular strategies could cut global emissions by 39%.[6] Growing geopolitical tensions and export controls have exposed Europe's dependence on imported critical materials, elevating circular economy solutions from niche measures to strategic infrastructure. NAP invests in advanced sorting, chemical recycling, secondary material recovery and circular business models such as product-as-a-service and remanufacturing. By keeping materials in use, these solutions reduce lifecycle emissions, avoid the carbon cost of virgin production and shorten supply chains—supporting net zero while strengthening material sovereignty, industrial resilience and protection against volatile global markets.

6 Water and wastewater

Water systems are critical to climate adaptation and decarbonisation. Rising energy use in treatment, growing water scarcity, inadequate sanitation access and more frequent flooding make resilient water infrastructure a financially material priority for industry, municipalities and investors. The global investment gap for equitable water access and climate-resilient infrastructure is €6.5 trillion[7]. NAP invests in technologies that improve water efficiency, treatment and pollution control — incl. real-time monitoring, membrane filtration, decentralised wastewater treatment and solutions for microplastics, PFAS and industrial discharges. These technologies cut energy and chemical use, lower indirect emissions, protect ecosystems and strengthen resilience to climate extremes, supporting net zero and safeguarding critical infrastructure.

3. Net Zero Emissions by 2050 – World Energy Outlook 2025 – Analysis – IEA
4. Greenhouse gas emissions from agrifood systems. Global, regional and country trends, 2001–2023
5. Renovations, sustainable building materials can boost Europe's green transition | Press releases | European Environment Agency (EEA)
6. The Circularity Gap 2021 report
7. Why water is the catalyst for the next wave of global growth | World Economic Forum

Approach to financing and scaling green technologies

Europe's rapid re-industrialisation and the shift toward strategic autonomy demand a new approach to financing and scaling green technologies. NAP applies a methodology designed to address the structural barriers that prevent Europe's deep-tech and green-tech innovations from becoming globally competitive industrial champions.

NAP's investment methodology is built around two complementary models: the Hypertransformation framework and the Scale-Up Readiness Index. Together, they provide a comprehensive understanding of both the pressures and internal capabilities that determine whether new green technologies can scale into industrial-grade businesses.

Hypertransformation: Managing multi-dimensional complexity
Hypertransformation refers to the unique, multidimensional complexity that green-tech and deep-tech companies face as they move from validated technology to commercial scaling. NAP has identified four categories of challenges that collectively define this environment (see illustration to the right). Companies must manage all these pressures simultaneously, creating an exceptionally complex environment in which most scaling failures occur.

Scale-Up Readiness Index: Measuring Asset Scalability
Europe's persistent difficulty in building globally relevant green-tech companies is not due to insufficient innovation, talent, or technological sophistication. It is the result of a systemic misalignment between technological maturity and commercial scaling. Sustainable-technology companies are repeatedly pushed to scale before the structural conditions for doing so are in place. This affects founders, investors, and policymakers alike and has become one of the most significant sources of capital destruction in green-tech innovation.

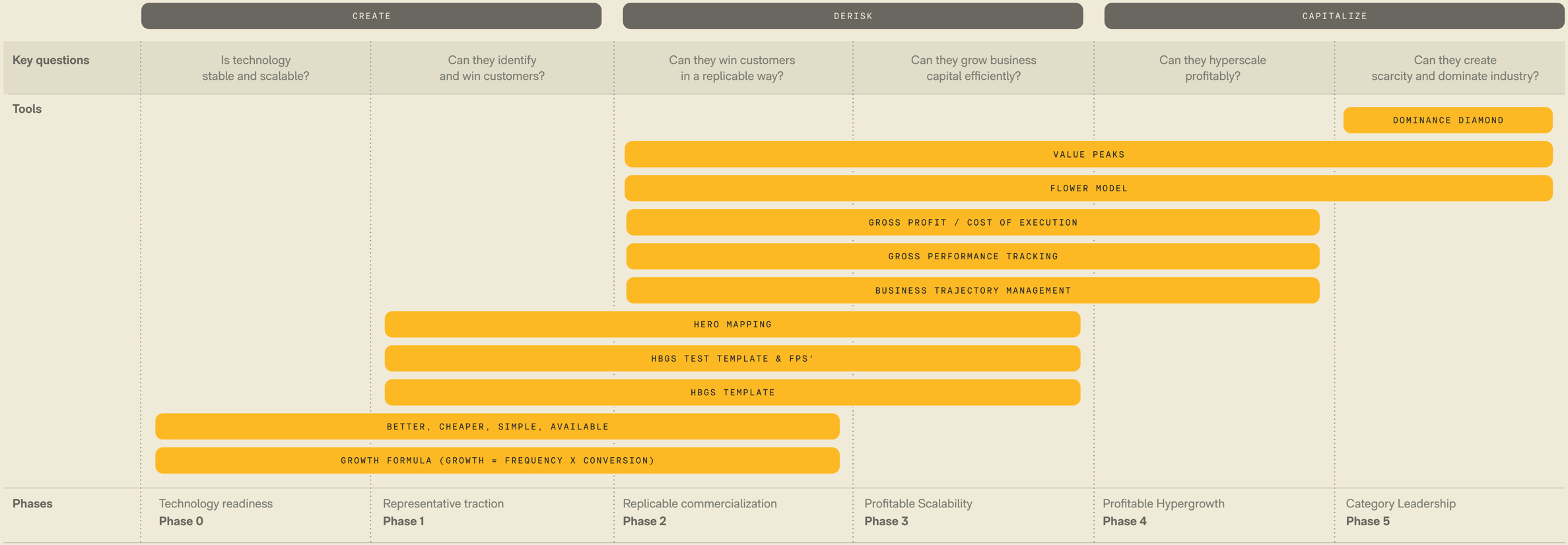
Four factors of hypertransformation

Approach to financing and scaling green technologies

The Scale-Up Readiness (SUR) framework was developed to address this challenge directly. Where Hypertransformation describes the external and internal complexities related to management and growth, the SUR Index describes how the asset is positioned for scale while also demonstrating which of Nordic Alpha's value creation tools will be most effective in which phase. SUR assesses commercial traction, growth replicability, capital efficiency, and category leadership within a specific sector. Across its five phases, the SUR Index evaluates measurable, evidence-based readiness, ensuring companies do not scale prematurely or destroy value.

The Combined Power of the Two Models
Together, Hypertransformation and the SUR Index provides NAP a comprehensive understanding of what it takes to industrialise green technologies in Europe. Hypertransformation highlights the external and internal pressures that make scaling difficult, while SUR Index assesses whether a company has achieved the internal robustness to grow capital- efficiently despite those pressures. This approach allows NAP to identify structural vulnerabilities early, strengthen capital efficiency before deploying scale up funding, support companies in navigating technological, organisational and financial inflection points and builld industrial leaders that reinforce Europe's strategic autonomy and green transition.

NAP's Scale-up Readiness Index



Sustainability integration in the investment process

NAP invests in industrial-technology companies that address the dual challenge of large-scale innovation and decarbonisation. Connecting a portfolio company's products and services, commercial-scaling trajectory and sustainability impacts is central to our investment process, from initial screening to investment decision, value creation and exit.

We focus on companies' potential to significantly reduce GHG emissions in industrial processes through innovative technologies. We also ensure the companies we invest in do not do harm to environment or people and that they have best practice governance policies and processes in place.

NAP Fund II is categorised as a sustainable investment fund under EU's Sustainable Finance Disclosure Regulation (SFDR Article 9). NAP Fund II has made a commitment that minimum 60% of the investments are aligned with the EU's Taxonomy for sustainable economic activities.

What is a sustainable investment?

An investment can be sustainable by being EU Taxonomy aligned or by being classified as sustainable under SFDR Art. 2 (17).

- **EU Taxonomy aligned investments:** Investments in companies making substantial contributions to the environmental objectives of the EU Taxonomy. These objectives are: Climate Change Mitigation; Climate Change Adaptation; Sustainable Use and Protection of Water and Marine Resources; Transition to a Circular Economy; Pollution Prevention and Control; Protection and Restoration of Biodiversity and Ecosystems. Investee companies should further do no significant harm to environmental objectives and adhere to the minimum social safeguards

- **Other sustainable investments:** Investments in companies that qualify as a "sustainable investment" as defined by the SFDR Art 2(17). This can for example be environmentally sustainable activities that are not covered by the EU Taxonomy but still measurably contribute to an environmental objective e.g., through the avoidance of GHG emissions.

Sustainability integration in the investment process

Guiding goals & ambitions

- 100% SUSTAINABLE INVESTMENT
- MIN. 60% EU TAXONOMY
- C02 IMPACT
- GENDER DIVERSITY

Investment process

SOURCING

- Spotting European sustainable growth companies in the greentech segment via monitoring activities and networking
- Initial review of sustainability within companies' business models
- **Exclusion list:** Restricted sectors include fossil fuel, tobacco, alcohol, weapons and ammunition, gambling, energy intensive and high CO_2 emitting sectors, those under sanctions and in breach of trade embargos[8]

SCREENING

- Early screening of eligibility as an EU taxonomy and SFDR 2 (17) sustainable investment

EVALUATION & CONVERSATION

- Term sheets to include sustainability impact, processes and data reporting requirements

STRATEGY & DUE DILIGENCE

- ESG due diligence reviewing business model, policies and procedures, and ESG-related risks and opportunities of the targeted company
- Assessment covers sustainable investment requirements, negative impacts on key ESG metrics (the so-called Principal Adverse Impacts (PAIs) defined by SFDR), UN Sustainable Development Goals, Diversity and Inclusions and Governance procedures as well as any violations of relevant international standards such as Human Rights

DEAL, CLOSING AND TRANCHES

- Pre- and post-closing sustainability-related recommendations following due diligence and strategy session
- ESG milestones incorporated in investment tranches

VALUE CREATION & GROWTH

- Active ownership on ESG material matters at board level and in daily operations
- Value creation ESG and culture toolbox

MONITORING & REPORTING

- On-going monitoring of companies
- Periodic review of sustainability-related issues, status and policies
- Quarterly reporting of key sustainability metrics
- SFDR disclosure

Supporting tools, standards and processes

External

- Sustainable Finance Disclosure Regulation
- Greenhouse Gas Protocol
- UN Sustainable Development Goals
- EU Taxonomy

Internal

- ESG policy
- ESG framework
- Investment Process Manual
- Compliance Policy
- Diversity and Inclusion Policy
- Staff Handbook
- ESG Data Collection Systems

8. These are the main themes for our exclusions. The concrete exclusion list is specified in details

Sustainability as a value driver

In an environment characterised by less prescriptive regulation, increasing uncertainty, and accelerating structural change, sustainability has evolved from a compliance exercise into a core driver of economic resilience and value creation. While regulatory frameworks such as the EU Green Deal, CSRD and taxonomy continue to shape expectations, the direction of travel is increasingly influenced by capital markets, customers, employees, and supply chains rather than by regulation alone.

Against this backdrop, the concept of economic sustainability becomes increasingly critical. For NAP and its portfolio companies, sustainability is not pursued as an end in itself, but to strengthen competitiveness, protect downside risk, and unlock long-term value. Companies that can integrate sustainability considerations into their strategy, operations, and governance are better positioned to navigate volatility, secure financing, and capture growth opportunities linked to the green and digital transition and the new geopolitical environment.

A key focus in 2025 – and in the years ahead – has therefore been to more systematically create, assess, and demonstrate the value of sustainability initiatives. This involves moving beyond qualitative ambitions by linking sustainability efforts to tangible financial and strategic outcomes – including improved access to capital, stronger market positioning, enhanced operational efficiency and resilience, and overall performance gains.

To enable this, NAP has identified a set of areas where sustainability directly influences business performance and investment outcomes. These sustainability value drivers are organised into four interconnected areas, each actively supported through targeted NAP engagement and portfolio company activities. On the right side, concrete 2025 examples of value drivers are described.

1 Cost of and access to capital

Financing advantages, investor attractiveness, exit and valuation upside

2025 examples

- Taxonomy alignment enabled Airwatergreen to access public sustainable financing vehicle (70% EIF SME Sustainability guarantee)
- NAP formed a strategic partnership with a grant-application service provider to maximise access to grant opportunities.

2 Market position

Customer preference, preferential pricing, access to regulated markets, new revenue streams

2025 examples

- The use of zero-life batteries in STABL's production aligns with customer preferences, enabling the company to win customers in competitive markets.
- Two portfolio companies introduced new circular business models – "product-as-a-service" – to increase sales.

Strategic and long-term decision making

3 People performance

Talent attraction, retention and work force productivity

2025 examples

- Sustainability missions are one of main drivers for people applying to positions in our portfolio companies.
- NAP has facilitated various workshops and dialogues on personality preferences and team dynamics to improve collaboration and workforce productivity across portfolio companies.

4 Risk and operation

Resource efficiency and supply chain resilience

2025 examples

- MicroShade has initiated project to clean water on site, reducing chemicals and transportation needs with associated economic benefits.
- Airwatergreen's development of NEXT GEN2 will lead to lower electricity use and greater reuse of parts, as the new design cuts production time in half and is modular.

Deep dive on operational environmental sustainability

Our portfolio companies are at the forefront of delivering green solutions, contributing significantly to environmental goals through their core products and services. However, true leadership in sustainability extends beyond the solutions offered to the market; it also encompasses the way companies manage their own operations.

By actively working to reduce GHG emissions and other environmental impacts within their operations, our portfolio companies not only reinforce their environmental commitment but also unlock additional value. Operational emission reductions help minimise costs, mitigate regulatory and reputational risks, and enhance long-term business resilience. This dual approach – providing green solutions and continuously improving operational environmental sustainability – helps ensure our portfolio companies remain trusted partners in the transition to a low-carbon economy.

In 2025, portfolio companies have both mapped existing, implemented new and prioritised future initiatives that reduce operational environmental impacts.

	Key initiatives implemented	Added in 2025	Focus going forward
Airwatergreen	• Implemented clear guidance on component recycling. • Introduced policy on business-travel emissions. • Achieved 100% fossil free energy mix. • Installed a new heat pump. • Adopted led lighting. • Embedded environmental criteria in supplier selection and new product development.	• Implemented a more modular product construction, reducing production-energy use and enabling greater reuse and recyclability. • Launched a product-as-a-service business model.	• Optimise supplier setup to minimise freight-related GHG emissions. • Train staff to strengthen environmental consciousness. • Implement a range of smaller initiatives to reduce operational emissions (e.g. improved recycling stations, IT procurement, promotion of low-carbon commuting).
Microshade	• Implemented waste recycling processes. • Completed an Environmental Product Declaration (EPD), mapping entire production and value chain footprint.	• Initiated project to clean water on site, reducing chemical use and transport requirement. • Identified actions required to close gaps for taxonomy alignment. • Introduced several initiatives to improve production yield and thereby reduce waste. In the past year it has improved from 50% to 60%.	• Further improve production yield. • Achieve full alignment with the taxonomy requirements. • Update the EPD. • Initiate project to identify and implement a new film with reduced chemical use. • Investigate if filtration systems in the facility can be upgraded to eliminate the hazardous waste component in the future.
STABL	• Advanced circular business model integrating second-life batteries. • Implemented a waste management plan. • Adopted sustainable packaging.	• Finalised its net zero plan, covering net zero targets for 2030, 2040 and 2050, key actions in the short-, medium- and long-term and the related governance and monitoring of progress.	• Execute the net zero plan. Key short term initiatives include conducting an emissions audit, obtaining science based validation of targets, launching a climate awareness programme, strengthening green procurement policies and engaging top suppliers on emissions reduction. • Continue to optimise the supply chain.
Variolytics	• Consolidated diesel fleet vehicles across sales and service, avoiding duplicate vehicles and unnecessary trips. • Adopted a hybrid working model to reduce commuting-related emissions. • Increased the use of remote meetings to limit business travel growth despite headcount expansion.	• Conducted a mapping of entire production processes. • Prepared a verified Lifecycle assessment of its EmiCo Lite product. • Conducted a circular economy feasibility assessment.	• Implement identified circular economy actions, including adopting recycled materials, increasing component reuse and take back, and enhancing modular design. • Strengthen engagement with key suppliers.

Impact beyond Nordic Alpha Partners

One of the most critical factors for a successful green transition is a thorough understanding of the factors that affect the growth and commercialisation of new green technologies. Our leadership position compels us to share insights on the green transition and hypertransformation, particularly with companies in the growth phase. NAP is committed to cultivating the right skills and providing new tools to navigate needed these complexities and challenges. Traditional growth methods and classic corporate theory may no longer meet the needs of future investors in such transformative markets. To address this, NAP has invested meaningful resources in demystifying hypertransformation, reindustrialisation and scale-up readiness. It is part of our corporate social responsibility, as we see it.

Going forward, it will be crucial to rethink the conventional private equity model and encourage more managers to be present in the complex growth space that lies beyond venture capital and before buyout capital. The task is simply too large for single growth fund alone to raise and deploy the necessary capital. NAP therefore assumes broader responsibility for this shift by creating and offering access to new models and tools. Fostering a wider understanding of these dynamics will help ensure that more risk capital is deployed effectively, enabling more technologies to scale and ultimately bringing more sustainable solutions to market

“

Nordic Alpha Partners has become an important bridge between academia and the financial ecosystem. Our close collaboration culminated recently in the launch of the Global Re-Industrialisation Programme, which has now run for two consecutive cohorts, with some of the highest feedback that we have ever seen. Nordic Alpha Partners continuously demonstrate their ability to translate complex market challenges for technological and industrial companies into distinct frameworks for action. Particularly valuable is Nordic Alpha's contribution to advancing how we think about transformation and technology readiness, pushing beyond technical validation toward true market and system adoption. This is precisely the kind of partnership Europe needs to turn the tide on low commercialisation of industrial innovation.

Jes Broeng
Director, DTU Skylab, DTU Entrepreneurship and Senior Advisor
to the The Danish Council for Research and Innovation Policy

Impact beyond Nordic Alpha Partners

2025 thought leadership activities

1 Scientific community engagement

NAP continues to engage with the scientific community on building a language on and theoretical understanding of the green hardtech battlefield.

Launching the Global Re-Industrialisation Programme
In 2025, NAP helped launch the Global Re-Industrialisation Programme (GRIP), a new executive programme. It is the first executive education programme of its kind, developed by Europe's leading technical university, the Danish Technological University (DTU). In its first year, the programme has successfully seen two full cohorts graduate, providing 46 participants from seed and venture investors, large scale corporate executives, FOAK investors, private equity partners, banks, numerous business angles, founders and board members with new tools and insights. In the coming year, the programme will scale and be offered at the "Nordic 5T" – the 5 most technologically advanced engineering universities in Scandinavia.

Pushing for a scientific ratification of a new technology readiness level
The collaboration with DTU has created a platform for NAP to engage with scientists and professors to better understand technology readiness and the ecosystem gaps often overlooked. Today, most innovation is measured by NASA's "Technology Readiness Level" (TRL) scale, ranging from prototype to TRL 9, or "flight proven." Engineers, investors, and policymakers often focus only on reaching this final stage.

However, reaching TRL 9 does not guarantee market adoption. To address this, NAP proposes a new level – TRL 10 – which shifts the focus from the technology itself to the surrounding market ecosystem. TRL 10 considers commercial demand, production infrastructure, servicing models, financing, regulatory stability, and long-term market outlook. DTU is incorporating practitioner insights from NAP into ongoing work to help formally ratify this addition to the TRL framework.

Cultivating the next generation of green tech champions
Our graduate-focused FinanceLab partnership with Copenhagen Business School continues to inspire hundreds of next-gen professionals from across financial disciplines. The programme is led by young talent within the fund and encourages student and early-career professionals to engage NAP through a series of training sessions on the green transformational battlefield, focusing on the role of private equity. Our newest hire comes from this programme, and we look to continue our efforts in providing young talent with access and exposure to greentech investing and scaling in the future.

Publishing our playbook
The playbook of NAP titled "Changing the Math – Creating, De-risking, and Managing Hypergrowth in Highly Transformative Industries" is a key resource for the Fund, both in terms of investment and value creation activities, as well as how we share information and helpful tools with peers and partners. Publication of the book has been finalised and will be available in Q1 2026.

2 Policy engagement

NAP has taken numerous steps to educate policy makers on matters such as hypertransformation and green reindustrialisation in the pursuit of aligning policy with the new and operational industrial reality.

Developing policies via Cleantech for Europe
NAP is an active member of the Cleantech Investor Coalition, a network advocating for improved conditions for funds investing in early stage technologies essential to achieving global net zero goals. Through our membership of Cleantech for Europe, we contribute with feedback to and support for concrete policy development that can enhance the conditions for green technology innovators.

Engaging directly with the EU Commission
We have a close partnership and multiple dialogues with the European Commission and several of its directorate generals – including the Directorate General for Internal Market, Industry, Entrepreneurship and SMEs in the EU (DG Grow). Recently, Recently, NAP delivered a full day of training for more than 50 participants across DG GROW and the Directorate General for Competition to help align policymakers, researchers, and practitioners around what it takes to move innovation from idea to category leadership. NAP also responded to the open call for the EU Industrial Forum, an EU expert group on industrial policy and progress.

Bridging the scale finance gap with Green Financing Institute
NAP has engaged closely with the Green Financing Institute (GFI) and supported its work in developing and scaling innovative debt and financing solutions that can mobilise new leverage opportunities to promising green technologies and initiatives. Furthermore, we contributed significantly to the GFI's latest publication on Bridging the Scale Finance Gap.

3 Industry engagement

When it comes to industry engagement, NAP is determined to contribute to meaningful discussions and panel debates whenever possible. In 2025, NAP delivered keynote addresses or participated in 15 industry events and conferences around Europe. NAP does not buy tickets or sponsor events, but we participate where possible when we can have a meaningful impact on the event agenda via keynotes and panel discussions. In our promotion of new language and more operational models, we have presented alongside industrial thought leaders and heavy weight funds such as Philipp Tibi, Stéphane Séjourné, Maive Rute, Breakthrough Energy, Generation Management, and many others.

One of the central challenges of the green transition is not invention, but how capital, institutions, and firms co-evolve to move technologies from promise to industrial capacity. Nordic Alpha Partners has made a distinctive contribution by demystifying this often-overlooked "chasm" between early-stage capital and traditional PE, where many green technologies struggle or fail. Their work on hypertransformation, re-industrialisation, and scale-up readiness goes beyond conventional private equity thinking and reflects a serious engagement with the structural conditions of growth. By sharing models, tools, and insights openly, Nordic Alpha helps expand the pool of investors and operators capable of deploying risk capital more effectively—an essential prerequisite for accelerating the green transition at scale, and I look forward to our continued collaboration in 2026 and beyond

Cornel Ban
Professor of International Political Economy, and author of Green Geoeconomics:
China, Europe and the Struggle over Cleantech Dominance, Copenhagen Business School

06

2025 Sustainability performance

NAP measures, monitors and reports its sustainability performance by GHG emissions avoided, EU taxonomy alignment and the principal adverse impact indicators.


SUNROOF

GHG emissions avoided

NAP assesses GHG emissions avoided for every company in its portfolio. NAP defines its GHG emissions avoided as the GHG emissions that are prevented from being released into the atmosphere due to the operations of NAP's portfolio companies compared to the corresponding reference product/solution. Market practices for GHG emissions avoided methodologies vary and assumptions are subject to high uncertainty. As such, any result should be assessed and compared with caution. NAP bases its methodology on established standards and reviews it on an ongoing basis.

Steps to assess GHG emissions avoided

1. **Identify solutions offered by the company.** This includes defining the end-stage solutions of each product/service, including product life time, as well as potential sources of avoided emissions of each end-state solution

2. **Identify corresponding reference solutions.** The reference solutions identified represent what is most likely sold in the market in the absence for the assessed solution.

3. **Compare assessed solutions and reference solutions.** The lifecycle stages between the company's solution and the reference solutions are compared to define if any lifecycle stages should be omitted from the calculations.

4. **Determine emissions abatement factor.** This includes gathering emissions data for the assessed company and the reference solutions, reviewing the data quality and calculating avoided emissions at a functional unit level.

5. **Determine avoided emissions.** This includes defining the assessed time period, functional unit outflow in the period (sales per unit and country) and calculating the avoided emissions for the assessed period.

6. **Disclose information on the assessment.** This includes performing uncertainty analysis of the assessment, sensitivity analysis for the key parameters in the comparison and an evaluation and scoring of each data-sourced used to produce the report. Given the inherent uncertainty of estimating avoided emissions using first- and third-party data-sources, NAP includes a 25% discount on the avoided emission figures it publishes externally.

7. **Define validity period of the assessment.** To reduce uncertainties the validity of assessment should be limited to one calendar year. After one calendar year, the assessment is revisited to determine if any assumptions or data sources should be adjusted based on new information available. Similarly, in cases where additional products/ models are offered by the company, the assessment will be updated to reflect their new product offering

2025 results

In 2025, 1,015,163 tonnes GHG emissions were avoided, equivalent to the CO_2 emissions from 200-250,000 roundtrip intercontinental flights[9] or 2.5% of Denmark's annual GHG emissions[10]. This corresponds an avoided emission per EUR million invested of 17,488 tonnes CO_2e (unadjusted for ownership share) and 5,964 tonnes CO_2e (adjusted for ownership share). The increase in avoided emissions since 2024 is largely attributable to the investment in Variolytics. With Variolytics' EmiCo Lite, wastewater treatment plants can optimise operations, resulting in a 70 – 90 % reduction in nitrous oxide (N_2O) emissions, a gas with a global warming potential approximately 260 times greater than CO_2. In 2025, EmiCo Lite was installed in 61 wastewater treatment plants, delivering substantial GHG emission reductions over the product's life cycle (10 years).

Avoided emissions for STABL increased significantly due to strong revenue growth. The impact of MicroShade has been conservatively estimated, as it focuses on the product footprint relative to other advanced shading solutions (e.g., external shading blinds). Notably, MicroShade is the only solar shading solution that reduces cooling demand while maintaining natural daylight and external views. Where maintaining natural daylight and external views is a non-negotiable requirement, avoided GHG emissions could be approximately five times higher. Sunroof's avoided emissions from Q1 to Q3 are included in the calculations.

Tonnes CO_2e	2023	2024	2025
Airwatergreen	24	985	845
Microshade	–	–	48
STABL	126	995	7,754
Sunroof	48,832	32,573	18,263
Variolytics	–	–	988,253
Total	**48,982**	**34,553**	1,015,163

1,015,163

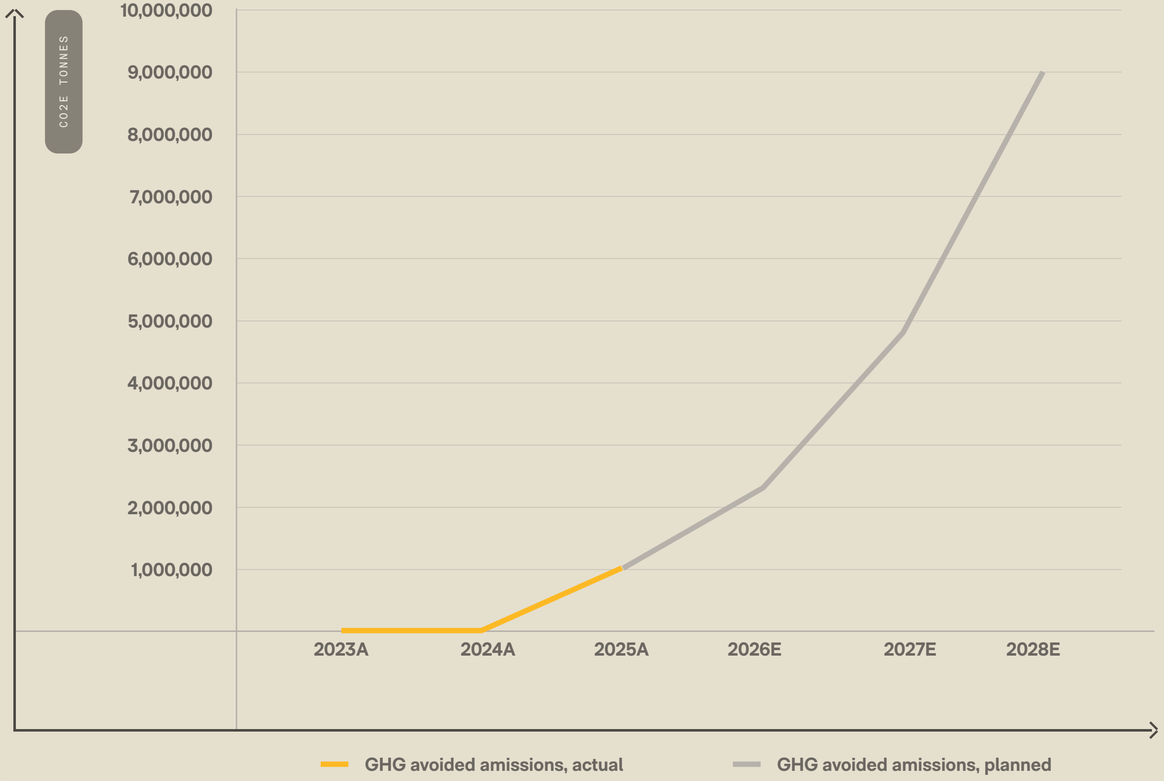
Tonnes CO_2e emissions avoided in 2025

17,488

Tonnes CO_2e emissions avoided per mEUR invested in 2025

16,015,490

Tonnes CO_2e emissions avoided 2026-2028 projections



9. Assumption: 4-5 tonnes CO_2e/passenger/round-trip flight.

10. Denmark's total GHG emissions (without LULUCF) in 2023. Source

Case study: EmiCo Lite applied at Nesselwörth Wastewater Treatment Plan

The Challenge

Traditional approaches to estimating emissions in wastewater treatment often rely on generic emission factors from literature, failing to capture the unique dynamics of individual facilities. This is particularly problematic for processes like Sequencing Batch Reactors (SBR), where operational practices vary significantly. Critically, nitrous oxide (N_2O) – with a global warming potential 260 times greater than CO_2 – can be a major, but often underappreciated, contributor to a plant's climate footprint.

The Project

At the Nesselwörth Wastewater Treatment Plant, a pioneering initiative was launched to address GHGs from side-stream centrate treatment using an SBR process. The project leveraged Variolytics' EmiCo Lite technology, which provides real-time GHG measurement and process intelligence for wastewater treatment operations. The project objectives were to measure actual GHGs from the SBR process, compare real-world data with literature-based estimates and develop and implement process optimisation strategies to reduce emissions.

The Impact

Deployment of EmiCo Lite enabled the plant to achieve a 99% reduction in N_2O emissions from the side-stream process. Continuous, high-resolution monitoring revealed that actual emissions were over 20 times higher than previously modelled – 5,318 tonnes CO_2e per year compared with a literature-based estimate of 255 tonnes CO_2e per year. The primary intervention was a targeted operational adjustment: increasing the carbon source (glycerin) dosage during the denitrification phase from 5 L/m³ to 6 L/m³ of centrate.

The avoided emissions are equivalent to removing approximately 1,150 passenger vehicles from the road or replacing 6.5 GWh of fossil-based electricity with renewables each year. This high-leverage, single-site abatement measure demonstrates that substantial climate impact can be achieved without infrastructure expansion, energy penalty, and process redesign – only operational intelligence and minor adjustments. This supports both just transition principles and cost-effectiveness. The approach offers a replicable framework for other wastewater facilities seeking measurable climate benefits with minimal societal costs.

Key Outcomes

- ~99% reduction in N_2O emissions
- 5,318 tonnes CO_2e avoided per year
- ~€400,000 in annual avoided climate costs (valued at €80 per tonne CO_2, ETS reference)
- €28,000 upfront capex investment
- €12,000 annual monitoring and system operation costs
- €10,000 additional annual glycerine dosing cost

Taxonomy alignment

Fund approach

With our fund commitment of 60% taxonomy alignment, EU taxonomy eligibility and alignment are analysed for all of NAP's potential investments. Given our focus on Greentech growth companies, potential investments are typically aligned with the substantial-contribution criterium but often require additional analysis and process implementation to align with the Do-No-Significant Harm (DNSH) and minimum social safeguards requirements. As a result, taxonomy alignment requirements are a key engagement priority the first couple of years of ownership.

In 2025, NAP developed tools and resources that support faster and more consistent implementation of the taxonomy alignment requirements. For example, the partnership with ClimatePoint, an LCA consultancy and software platform, enables companies to document their impact quickly and efficiently and in a manner that can be adapted as they scale. Additional support includes practical guidelines and templates for conducting circular economy feasibility assessments, physical climate risk assessments and implementation of Minimum Social Safeguard. The alignment should also be maintained and revisited continuously, which is why NAP conducts periodic taxonomy alignment reviews.

What is the EU taxonomy?

The EU Taxonomy defines economic activities that can qualify as environmentally sustainable. A company's activities (represented by Turnover, CapEx and/or OpEx) are considered potentially sustainable ('eligible') if they are described in the Delegated Acts of the EU Taxonomy Regulation.

An activity is sustainable ('aligned') if

- it makes a substantial contribution to an environmental objective;
- it activity does no significant harm to other environmental objectives; and
- the company complies with the Minimum Social Safeguards.

How this is proven and documented is defined and specified per eligible activity in the Delegated Acts of the EU Taxonomy Regulations.

The European Commission has identified six environmental goals

1. Climate change mitigation
2. Climate change adaptation
3. Water and marine resources
4. Circular economy
5. Pollution prevention and control
6. Biodiversity and ecosystems

2025 performance

2025 marked another strong year for Fund II's taxonomy alignment efforts, maintaining high commitments and actual alignment.

Portfolio companies are eligible within the following taxonomy activity categories:

- Airwatergreen and Variolytics: 3.6 Manufacturing of other low carbon technologies
- MicroShade: Manufacturing of energy efficiency equipment for buildings
- STABL: 3.4 Manufacturing of batteries
- SunRoof: 7.6 Installation, maintenance and repair of renewable energy technologies

Like in 2024, Airwatergreen, STABL and Sunroof are taxonomy aligned. Variolytics is aligned with all the taxonomy alignment requirements, except for the third-party independent verification which was finalised in February 2026. The alignment documentation for four portfolio companies was reviewed by a third party in 2025. Taxonomy alignment gaps for MicroShade were mapped in 2025 during the due diligence phase. MicroShade is aligned with the substantial contribution requirements as well as the DNSH requirements for Water & Marine and Biodiversity and Ecosystem and will work on closing the remaining gaps in 2026.

Summary of taxonomy alignment

Criteria	Airwatergreen	Microshade	STABL	SunRoof	Variolytics	Fund level
Taxonomy eligibility	√ Manufacturing of other low carbon technologies	√ Manufacturing of energy efficiency equipment for buildings	√ Manufacturing of batteries	√ Installation, maintenance and repair of renewable energy technologies	√ Manufacturing of other low carbon technologies	√ 100%
Substantial contribution to climate change mitigation	√ – Third-party verified LCA	√ – Simply aligned by its product type	√ – Simply aligned by its product type	√ – Simply aligned by its product type	√ – LCA finalised. Verification closed in in February 2026.	√ 100%
Do No Significant Harm to other environmental goals						
Climate change adaption	√	÷ 2026 focus	√	√	√ Closed in 2025	
Water & Marine Resources	√	√	√	√	√	
Circular Economy	√	÷ 2026 focus	√	√	√ Closed in 2025	
Pollution	√	÷ 2026 focus	√	√	√ Closed in 2025	
Biodiversity & Ecosystems	√	√	√	√	√ Closed in 2025	
Minimum Social Safeguards	√	÷ 2026 focus	√	√	√ Closed in 2025	
Taxonomy alignment	√ 99%	√ 0%	√ 100%	√ 100%	√ 0% (2025) 96% (February 2026)	√ 77% (2025)

Case study: Closing the gaps for taxonomy alignment at Variolytics

As part of the due diligence, NAP identified the actions required for Variolytics to achieve taxonomy aligned for the activity "Manufacturing of other low carbon technologies". A key 2025 focus for Variolytics was therefore to close the gaps for taxonomy alignment.

VARIOLYTICS

Actions	NAP support
Substantial contribution to climate change mitigation	
Variolytics prepared a full carbon life-cycle assessment (LCA) for the EmiCo Lite product. The LCA demonstrated that a wastewater treatment plant serving a population of 100,000 can avoid approximately 21,000 tonnes of GHG emissions over the lifetime of a single EmiCo Lite unit. Through its partnership with ClimatePoint - an LCA solution provider - Variolytics can update and adapt its LCA calculations efficiently to reflect different customer profiles and future product developments. This flexibility is particularly valuable for a young company whose production setup, supply chain and customer base will continue to evolve. It also enables Variolytics to use the LCA results more proactively in commercial dialogues. In February 2026, the LCA was verified by an independent third party, aligned with ISO standards 14040, 14044 and 14067.	→ NAP identified and negotiated the agreement with the LCA and verification providers and supported the coordination among stakeholders.
Do No Significant Harm to other environmental goals	
Variolytics conducted three analyses to document that it does no significant harm to environmental goals: physical climate risk assessment, circular economy feasibility analysis and mapping of any use of hazardous substances in the manufacturing. The circular economy feasibility analysis, together with the LCA, highlighted opportunities to optimise resource use and reduce emissions in both product design and operations. The climate risk assessment identified measures to strengthen operational robustness and revealed opportunities for new customer facing services, such as guidance on protecting equipment during extreme weather events.	→ Provided ongoing guidance and step-by-step templates to develop the different analyses.
Minimum Social Safeguards	
Variolytics has initiated several initiatives to enhance its adherence to minimum social safeguards. For its internal operations, they have (among others) updated recruitment, onboarding, and performance review processes. For its supply chain, Variolytics has introduced a supplier code of conduct, supplier risk assessment process and supplier questionnaire.	→ NAP identified improvement areas during due diligence and onboarding and provided guidance on how to implement and maintain compliance.

Principal adverse impacts

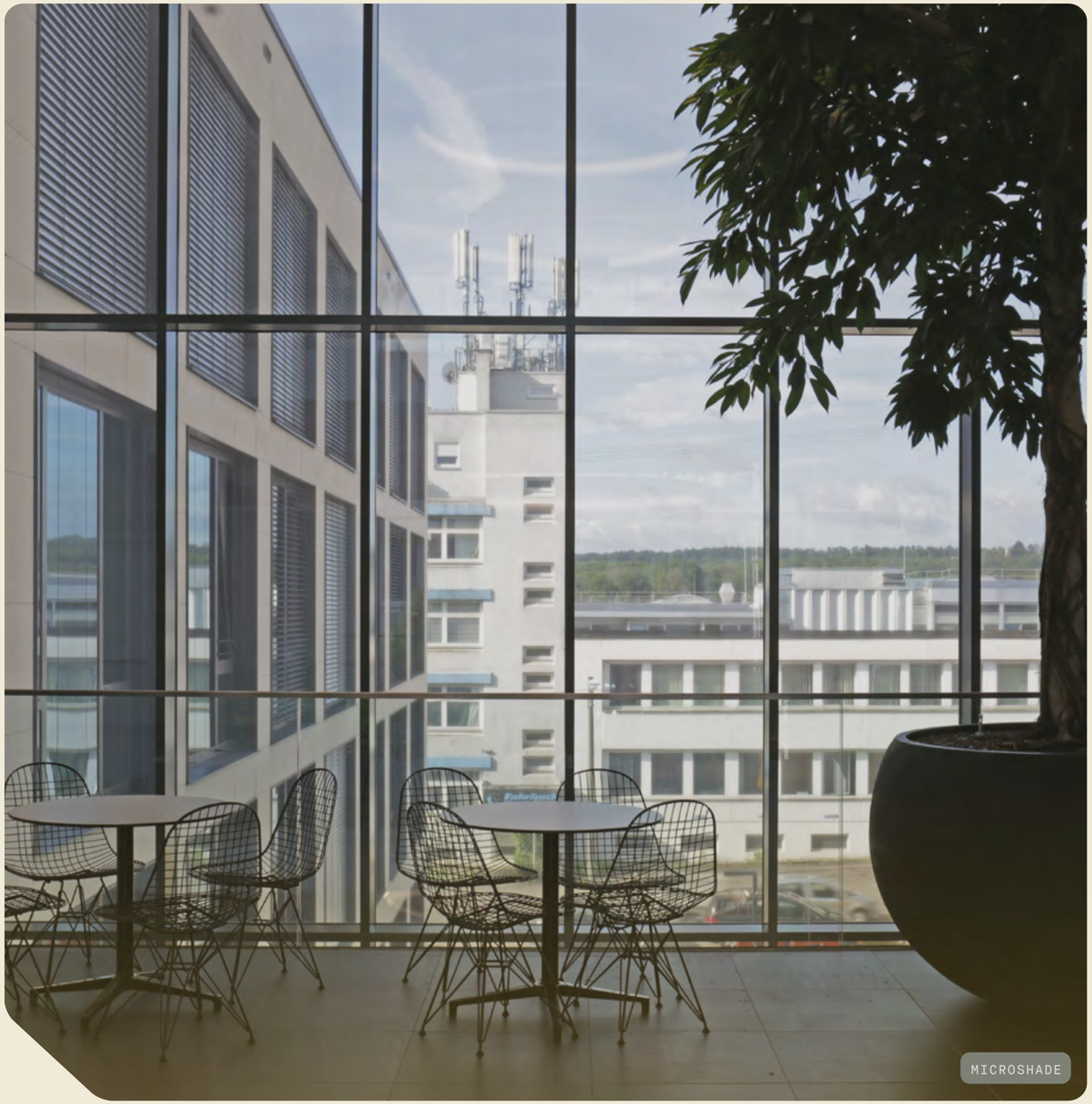
NAP Fund II considers principal adverse impacts (PAIs) of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of NAP Fund II, LEI: 98450040B98KA2D20R32. The statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2025 to 31 December 2025.

As in previous years, NAP conducted a benchmarking analysis in 2025 comparing the sustainability performance of its portfolio with other article 9 funds. Given the early stage of ESG data maturity, the results should be interpreted with caution; however, they provide useful insights into areas of strength and opportunities for improvement.

NAP considers PAIs by:

- **Assessing** them for each portfolio company during the due diligence process
- **Monitoring** and reporting on selected ones quarterly and the full set annually
- **Engaging regularly** with investee companies to minimise negative impacts and strengthen mitigation efforts

PAI data for portfolio companies is collected through an external ESG-data platform. Periodic data reviews include discussions with portfolio companies regarding developments, data quality, underlying causes and potential improvement initiatives, carried out in collaboration with an external consultant. We are pleased to report a 100% data-coverage rate for the reporting period, however, Sunroof's social data is based on the information reported in 2024.



Principal adverse impacts

- Lower adverse impact than median article 9 fund
- Higher adverse impact than median article 9 fund
- Adverse impact on par with median article 9 fund

PAI area	PAI #	Metric	Unit	2025	2024	2023	Explanation	Benchmark comparison[11]	Actions taken and planned
Greenhouse gas emissions	1	GHG emissions scope 1	tonnes CO_2e	47	31	27		Not available	
	1	GHG emissions scope 2	tonnes CO_2e	77	10	5	The increase of GHG emissions reflects a larger number of investee companies.	Not available	See section 5.5 on engagement on GHG reduction initiatives.
	1	GHG emissions scope 3	tonnes CO_2e	3,039	2,291	1,022		Not available	
	1	Total GHG emissions	tonnes CO_2e	3,163	2,332	1,054		Lower	
	2	Carbon footprint	tonnes CO_2e	54	102	61	The decrease in carbon footprint reflects a higher increase in value of investments relative to the increase in GHG emissions.	Lower	See section 5.5 on engagement on GHG reduction initiatives.
	3	GHG intensity of investee companies	tonnes CO_2e	484	1,013	1,119	The decrease in GHG intensity reflects a higher increase in revenue relative to the increase in GHG emissions.	Lower	See section 5.5 on engagement on GHG reduction initiatives.
	4	Share of investments in companies active in the fossil fuel sector	%	0%	0%	0%	0%	Lower	Screening is included in due diligence process.
	5	Share of non-renewable energy consumption and production	%	49%	64%	77%	Investments with higher share of renewable electricity weighs more in the portfolio.	Lower	0%
	6	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	Sector; GWh	Sector D: 0.034	Sector D: 0.02	Sector D: 0.012	0	Not available	0
Biodiversity	7	Share of investments in investee companies with sites/operations located in or near to biodiversity where these investee companies negatively affect those areas	%	0%	0%	0%	0%	On par	0%

11. The benchmark comparison is based on 2024 median PAI data for Article 9 funds in the 2025 “Annual Report to the Commission under Article 18 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector”

PAI area	PAI #	Metric	Unit	2025	2024	2023	Explanation	Benchmark comparison[11]	Actions taken and planned
Water	8	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Tonnes	0	0	0	0%	→ On par	0 CONTINUED
Waste	9	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	Tonnes	1.5	0.0	0.1	MicroShade acquired in 2025 generates wastewater classified as hazardous waste.	↑ Above	MicroShade has initiated several actions to reduce the hazardous waste generate, incl. the introduction of a upgraded filtration system and identifying an alternative film with lower chemicals.
Social & employee matters	10	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	0%	0%	0%	0%	On par	0%
	11	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	%	5%	0%	0%	MicroShade acquired in 2025 does not have fully aligned policies.	→ On par	Such policies are an investment requirement for NAP. MicroShade will implemented fully aligned policies in 2026.
	12	Average unadjusted gender pay gap of investee companies	%	6%	18%	7%	New investee company has greatly reduced average gender pay gap through a negative reported gender pay gap value.	↓ Lower	In 2025 NAP has updated its DEI goals and engaged several coompanies on the topic. See elaboration in section 6.6.
	13	"Average ratio of female to male board members in investee companies, expressed as a percentage of all board members"	%	15%	13%	11%		↑ Above	In 2025, females joined the boards of directors of Variolytics and Airwatergreen.
	14	Share of investments in investee companies involved in the manufacture or selling of controversial weapon	%	0%	0%	0%	0%	On par	Screening is included in due diligence process.
GHG emissions	15	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	%	0%	71%	19%	All portfolio companies have mapped existing and future GHG reduction initiatives.	Not available	See section 5.5 on engagement on GHG reduction initiatives.
Social & employee matters	16	Lack of supplier code of conduct	%	0%	0%	10%		Not available	Such code of conduct is an investment requirement for NAP.

Why diversity, equity and inclusion

NAP believes that diversity fosters innovation, supports risk mitigation, and enables stronger long-term returns Teams with diverse backgrounds and perspectives can assess opportunities more comprehensively, improving the identification of unconventional yet high potential investments – particularly within complex and underserved markets such as green growth technologies.

MIKKEL, HANNAH AND IDA

How can Nordic Alpha Partners contribute to diversity, equity and inclusion

Our Diversity, Equity and Inclusion (DEI) efforts are structured into four key areas.

- **Internal operations:** Building a diverse and inclusive culture and providing equal opportunities for all (potential) employees.
- **Deal sourcing and evaluation:** Expanding deal flow diversity, minimising biases in investment decision and ensuring potential investee align with our DEI expectations.
- **Portfolio company engagement:** Promoting DEI across our portfolio by requiring DEI reporting, placing DEI on management and board agendas, encouraging diverse, equitable and inclusive recruitment practices and working conditions, and offering best practice guidance.
- **Broader ecosystem engagement:** Active engagement with the ecosystem of green technology and growth capital to increase interest and knowledge within the field, especially of underrepresented groups

Deep dive on diversity, equity and inclusion

Revised diversity, equity and inclusion goals
In 2025, NAP conducted a thorough review and update of its DEI strategy and goals. While our original goals were both ambitious and directionally sound, the revised objectives reflect a broader and more actionable approach to strengthening DEI across our operations and portfolio companies.

In updating our goals, we have expanded our focus beyond gender diversity to include additional underrepresented groups – such as ethnic minorities, first generation professionals, LGBTQ+ individuals, and neurodivergent individuals – recognising that meaningful diversity spans multiple dimensions.

We have also refined our target for portfolio company management teams. Rather than aiming for one-third gender representation, we now target at least one diverse team member per management team. Given the characteristics of our industry, the original target was assessed as unattainable in the near term; however, this adjustment allows us to maintain a clear and realistic commitment to improving diversity.

Additionally, we have introduced a new goal requiring portfolio companies to establish DEI action plans. We believe these plans are essential to achieving our broader objectives and to ensuring that DEI initiatives are implemented in a structured, relevant, and impactful way.

Beginning in 2026, we will operationalise a GDPR-compliant framework for tracking progress toward our updated diversity goals.

	Goal	2025 status
Internal operations	Maximum 60% gender homogeneity across entire NAP organisation.	68% male (73% in 2024)
	Maximum 75% gender homogeneity at senior level (directors and partners)	87% male. (87% in 2024)
Deal sourcing and evaluation	Minimum 20% of money for new portfolio companies are to be invested into companies with management and/or board of directors' members that are female or belong to other underrepresented groups.	All portfolio companies added in 2025 have females in management team.
Portfolio company engagement	All portfolio companies have at least one management team member who is female or identifies as belonging to other underrepresented groups.	Three out of five portfolio companies have one female team member.
	All portfolio companies have at least one board member who is female or identify as belonging to other underrepresented group.	Three out of five. In 2025, females have joined the boards at both Airwatergreen and Variolytics.
	All portfolio companies have a DEI action plan	Three out of five. NAP has engaged STABL, Variolytics and Airwatergreen to assess current status and agree on next steps.

Deep dive on diversity, equity and inclusion

Key actions taken in 2025

- **Strengthened DEI governance:** NAP reviewed its DEI policies and assigned clear responsibilities across internal operations, deal sourcing and portfolio management. A DEI Committee now meets twice a year to review progress and identify new initiatives.

- **DEI strategy framework:** DEI encompasses much more than the number of female board members but can be overwhelming to tackle. Therefore, NAP developed a practical DEI strategy framework to support portfolio companies in assessing current practices, defining priorities and implementing effective DEI initiatives. The framework outlines minimum expectations, a DEI "strategy house", implementation steps and a menu of concrete actions.

  NAP has engaged three portfolio companies with the framework to understand their baseline and agree on future priorities and actions.

- **Culture and team dynamics workshops:** NAP's Talent Director has supported various portfolio companies and internal teams to identify strengths and weaknesses related to culture, team dynamics and personal characteristics.

- **Bias reduction:** The NAP team received training on unconscious bias, followed by dedicated sessions to identify and implement measures that reduce bias in investment decision making. Furthermore, NAP has developed standards within recruitment process and job postings to reduce biases.

- **Inclusive workplace:** NAP improved its employee benefits to support a better work-life balance and a more inclusive workplace. This includes a strengthening of the conditions for parental leave and holiday and the addition of new insurance coverages.

- **Young talent development (and spotting):** NAP hosted multiple sessions with Copenhagen Business School on private equity in the green transition. Across these sessions, females represented 38—45% of the participants, including Alice Algren, our recently hired Investment Analyst.

Fund II portfolio companies

- AIRWATERGREEN
- MICROSHADE
- STABL
- SUNROOF
- VARIOLYTICS
- ADDITIVE DRIVERS
- HYBRID GREENTECH

MICROSHADE

Overview of Fund II portfolio companies

Investment highlights

37%

Average 2025 revenue growth = 37% (97% sales growth)

58 mEUR

Total invested capital = 58 mEUR

Investments and divestments

Two new investments in Microshade and Variolytics and one divestment of Sunroof

NAP investment areas

- **Airwatergreen:** Industrial decarbonisation
- **Microshade:** Building and construction technologies
- **STABL:** Energy transition
- **Sunroof:** Building and construction technologies
- **Variolytics:** Water and wastewater

SDG contributions

Environmental performance

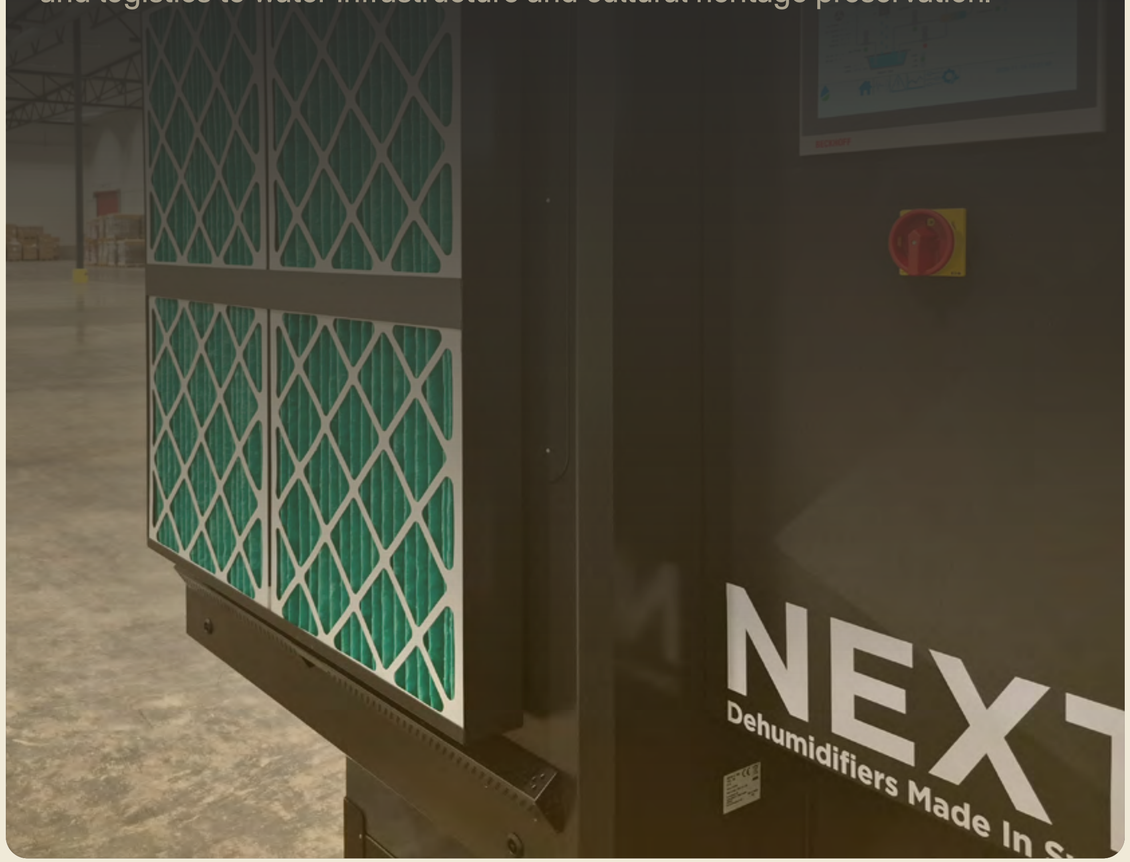
Taxonomy alignment, revenue	77%
GHG emissions avoided	1,015,163 tonnes CO_2e
GHG emissions avoided per mEUR invested	17,488 tonnes CO_2e (5,964 tonnes CO_2e if adjusted for ownership share)
GHG emissions	Scope 1: 86 tonnes, Scope 2: 152 tonnes, Scope 3: 5,680 tonnes
Non-renewable energy share of total energy consumption	45%
Investee companies with carbon emission reduction initiatives aimed at aligning with the Paris Agreement	Five out of five portfolio companies

Social and governance performance

Total employees	192 FTEs
Female representation at management level	Three out of five portfolio companies
Female representation at board level	Three out of five portfolio companies
Supplier code of conduct	Five out of five portfolio companies
Human rights policy	Five out of five portfolio companies
Human rights due diligence	Four out of five portfolio companies
ESG incidents	0

Airwatergreen

Airwatergreen AB is a Swedish cleantech company founded in 2009 and headquartered in Uppsala. The company develops and manufactures advanced dehumidification and air treatment solutions designed for energy efficiency. Its patented technologies, including Controlled Vapor Pressure (CVP) and warm condensation, enable precise humidity control across all temperatures and climates. Airwatergreen's product portfolio - such as FLEX, REX, and NEXT - serves industries ranging from food production and logistics to water infrastructure and cultural heritage preservation.



Facts

Investment focus area	Building and construction tech
Industry	Industrial dehumidification
Geography	Sweden
Revenue growth	0%
Number of employees	17
NAP investment date	November 2023
NAP equity stake	50-67%

The problem

Humidity-related issues pose significant challenges for industrial and commercial facilities. Excess moisture leads to corrosion, mold growth, and structural damage, reducing the lifespan of equipment and buildings. In food production, cold storage and logistics, uncontrolled humidity can also cause spoilage, hygiene risks and energy inefficiencies. Traditional dehumidification systems are often energy intensive, perform poorly at low temperatures and require complex installations

The solution

Airwatergreen's CVP-based systems efficiently remove moisture at any temperature, cutting energy use by up to 50% compared to conventional technologies. Products like NEXT offer smart controls, remote monitoring, and flexible power scheduling, while requiring no ventilation pipework and minimal maintenance. This ensures reliable humidity control for sensitive environments with lower costs and emissions.

The impact

Airwatergreen's technology delivers measurable climate benefits. Independent life-cycle analyses show that its dehumidifiers reduce GHG by up to 50% over their lifetime compared to standard units. By lowering electricity consumption and enabling smarter energy use, Airwatergreen helps customers meet ESG targets, comply with EU sustainability regulations, and reduce operational costs. Up to 90% of the metal components are assumed to be recyclable, reinforcing circular economy principles.

Airwatergreen

Key 2025 highlights

Environmental

- Mapped current and future GHG reduction initiatives.
- Established an SPV with a sustainable public financing vehicle (70% EIF SME Sustainability guarantee) to support product-as-a-service business model.
- Implemented a more modular product construction, lowering energy use in production and enabling greater reuse and recyclability.
- Updated website to better reflect product sustainability characteristics.

Social & governance

- Strengthened governance on sustainability related issues at management and board level.
- Conducted IT-security training for all employees.
- Several initiatives to support a high-performance cultural transformation.
- Appointed a female member to the board of directors.

2025 Performance

GHG emissions avoided, tonnes CO_2e	845
Taxonomy alignment	99.3%
GHG emissions, tonnes CO_2e	Scope 1: 15 tonnes, Scope 2: 0.6 tonnes, Scope 3: 2,084 tonnes
Non-renewable share of total energy consumption	64% nuclear. The rest is renewable.
Carbon reduction initiatives aimed at aligning with Paris Agreement	Yes
Female representativeness	Management: no, Board of Directors: yes.
Human rights policy	Yes
Human rights due diligence	Yes
ESG incidents	No

ESG focus for next year

- Optimise supplier setup, minimising freight-related emissions
- Enhance ESG ambitions with key suppliers
- Implement additional GHG reduction initiatives
- Enhance documentation of impact case stories

MicroShade

MicroShade A/S is a Danish cleantech company founded in 2003 as a spin-off from the Danish Technological Institute. The company develops and markets advanced solar-shading solutions that are fully integrated into insulating glazing units. Its patented technology consists of a micro-structured film placed between glass panes, which provides effective solar shading while maintaining natural daylight and an unobstructed view of the outside. MicroShade's solution is passive, requires no maintenance, and offers a low life-cycle carbon footprint. The company serves projects across Europe and has installations in hundreds of buildings, positioning itself as a leader in sustainable building technologies.

Facts

Investment focus area	Building and construction tech
Industry	Solar shading
Geography	Denmark
Revenue growth	-10%
Number of employees	16 FTEs
NAP investment date	August 2025
NAP equity stake	100%

The problem

Buildings account for approximately 40% of global energy consumption and over a third of GHG emissions. The growing use of large glass facades in contemporary architecture exacerbates issues such as overheating, glare, and increased cooling demand. Conventional shading systems - such as external blinds or electrochromic glass - often block daylight, compromise aesthetics, and require costly maintenance. These limitations make it challenging for developers and architects to meet stricter energy performance standards and sustainability goals without sacrificing design quality or occupant comfort.

The solution

MicroShade's solution uses a proprietary micro-lamella structure that blocks up to 90% of solar heat during summer while allowing approximately 35% of solar energy to pass through in winter, reducing heating and cooling needs. Unlike conventional systems, MicroShade maintains high daylight transmission and clear outward visibility, ensuring optimal indoor comfort and well-being. The technology eliminates the need for external shading devices, reduces operational energy demand, and requires no maintenance throughout the building's lifetime. Its slim, nearly invisible profile also provides architects with design freedom.

The impact

The product's minimal material use and passive functionality reduce the CO_2 footprint during construction and operation phases. By decreasing reliance on artificial cooling, MicroShade enables substantial energy savings. Preliminary environmental product declarations indicate a low global warming potential per square meter, and the solution is estimated to avoid approximately 41 kg of CO_2e per square meter installed. Beyond environmental benefits, MicroShade enhances occupant well-being by providing glare control, thermal comfort, and natural daylight, all while reducing total cost of ownership for building operators.

MicroShade

Key 2025 highlights

- Initiated project to clean water on site to reduce chemicals and transport.
- Introduced several initiatives to improve production yield and thereby reduce waste. In the past year it has improved from 50 to 60%.
- Identified actions to close gaps on taxonomy alignment.

2025 Performance

GHG emissions avoided, tonnes CO_2e	48
Taxonomy alignment	0%
GHG emissions	Scope 1: 0 tonnes Scope 2: 38 tonnes Scope 3: 370 tonnes
Non-renewable share of total energy consumption	40%
Carbon reduction initiatives aimed at aligning with Paris Agreement	Yes

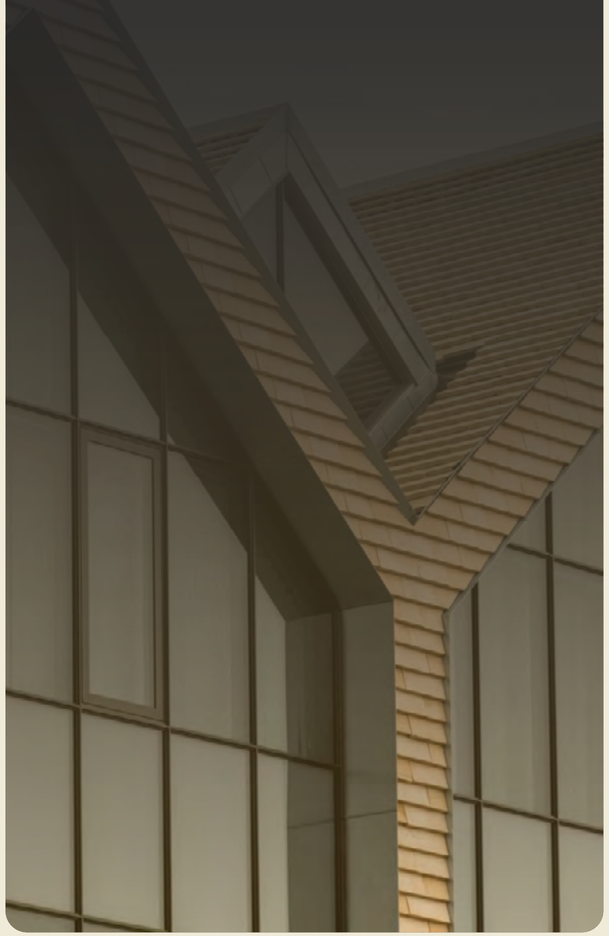
Social & governance

- Was onboarded to NAP's ESG reporting platform.
- Formalised supplier, customer and employee contracts and ways of workings to ensure greater efficiency and quality.
- Updated code of conducts, including those for suppliers

Female representativeness	Management: yes. Board of directors: no
Human rights policy	Yes
Human rights due diligence	No
ESG incidents	No

ESG focus for next year

- Initiate project to change main resource input to reduce chemicals and costs
- Improve yield performance further
- Finalise project to clean water onsite
- Become taxonomy aligned



STABL

STABL Energy GmbH is a German technology company founded in 2019 as a spin off from academic research in power electronics. Headquartered in Munich, the company specialises in advanced battery energy storage systems (BESS) and next generation inverter technology. Its patented multi level inverter architecture enables module level control and monitoring of battery packs, significantly improving system safety, reliability, and efficiency. This technological foundation allows STABL to integrate both first life and second life lithium ion battery modules into stationary storage applications without complex reconfiguration, supporting industrial and commercial energy solutions.

Facts

Investment focus area	Energy transition
Industry	Battery energy storage systems
Geography	Germany
Revenue growth	144%
Number of employees	59 FTEs
NAP investment date	July 2023
NAP equity stake	25-33%

The problem

The global energy transition faces three interconnected challenges. First, renewable energy sources such as wind and solar are inherently variable, creating grid stability challenges that require flexible storage assets. Second, manufacturing new batteries remains resource and carbon intensive, contributing significantly to global GHG emissions. Finally, the accelerating adoption of electric vehicles is creating a growing volume of end of life battery packs with limited reuse pathways, turning a valuable resource into a looming waste problem.

The solution

STABL has developed a novel solution that combines proprietary inverter hardware with advanced analytics software to manage battery packs at the individual module level. This architecture fundamentally changes how battery systems are controlled and optimised. By connecting to each module, STABL improves power output, reduces harmonic distortion and enhances efficiency - especially in high voltage or high-power settings. The module level control extends system lifetime and adds fail safe redundancy, hot swap capability and flexible operability. It also enables efficient reuse of second life battery modules in applications traditionally suited only to first-life batteries, including stationary storage, mobile systems and emerging concepts like “battery hotels”.

The impact

By enabling the reuse of EV batteries, STABL reduces lifecycle GHG emissions by up to 70% compared to storage systems built entirely with new batteries. Their approach strengthens circular economy principles, minimises demand for critical minerals, and addresses the emerging challenge of EV battery waste. At the same time, it accelerates renewable energy deployment by providing reliable, cost efficient stationary storage solutions. Ultimately, STABL’s technology contributes meaningfully to grid decarbonisation, resource efficiency, and energy system resilience.

STABL

Key 2025 highlights

Environmental

- Launched Nobina pilot project, paving the way for scaling to other eMobility operators. STABL is continuously testing interest among other fleet operators.
- Finalised its Net Zero action plan, covering net zero targets for 2030, 2040 and 2025, key actions in the short-, medium- and long-term and the related governance and monitoring of progress.
- Expanded applications of STABL's technology within industries like e-fleet operators, maritime electromobility, coating processes and compost manufacturing, resulting in 668% order intake growth over the past two years.
- Won the Global Award in the BESS category of the pv magazine, which is a leading international publication covering solar, storage, and clean energy innovation.

Social & governance

- Updated all ESG-related policies to reflect organisational development and established processes to ensure all policies will be reviewed at least annually.
- Established an internal ESG and Climate committee/ board.
- Introduced new policies on pay equity, anti-discrimination, respectful behaviour and whistleblowing.
- Introduced a new fairness and grievance process.
- Formalised their diversity, equity and inclusion processes in a policy based on the material provided by NAP.

2025 Performance

GHG emissions avoided, tonnes	7,754
Taxonomy alignment	100%
Non-renewable share of total energy consumption	43%
GHG emissions	Scope 1: 0 Scope 2: 54 Scope 3: 1,095
Carbon reduction initiatives aimed at aligning with Paris Agreement	Yes

Female representativeness	No in both board of directors and management team
Human rights policy	Yes
Human rights due diligence	Yes
ESG incidents	No

ESG focus for next year

- 2026 will focus on implementation and tracking of the new net zero plan. This includes establishing science-based targets, adopting more green procurement policies, launching an internal climate awareness program and engaging top suppliers on emissions.

Sunroof

SunRoof is a Swedish clean energy company specializing in fully integrated solar roof solutions. By combining design, engineering, and renewable technology, SunRoof replaces traditional roofing materials with durable, aesthetic solar roofs that generate electricity and support a more sustainable built environment.

Facts

Investment focus area	Building and construction technologies
Industry	Building integrated photovoltaic roofsystem
Geography	Sweden
Revenue growth	-44%
Number of employees	74 FTEs
NAP investment date	January 2023
NAP equity stake	0% (Exited in December 2025)

The problem

The demand for renewable energy is rising rapidly as households and businesses seek protection from volatile electricity prices, strive for energy independence, and respond to climate and regulatory pressures. However, traditional solar installations remain inefficient in design because they require mounting panels onto an existing roof, adding weight, complexity and aesthetic compromises. This duplication of materials increases both cost and embodied carbon, while the fragmented experience of sourcing panels, installers, software and maintenance creates unnecessary friction for consumers. The built environment also represents an underutilised surface for energy generation, limiting the speed at which decentralised, local clean power can scale.

The solution

SunRoof replaces traditional roofing with a building-integrated photovoltaic system, embedding high-efficiency glass-glass solar modules directly into the roof to maximise energy production while maintaining modern architectural aesthetics. This 2-in-1 approach removes the need for separate roofing materials and mounting structures, reducing resource use and simplifying installation. The system pairs hardware with a digital energy management platform, allowing homeowners to monitor production, optimise self-consumption and integrate technologies such as batteries or EV charging. Designed for harsh Nordic climates and supported by long warranties, SunRoof delivers a durable, seamless and technologically advanced alternative to conventional PV. By offering an end-to-end solution from design and installation to data and optimisation, SunRoof simplifies the transition to renewable energy.

The impact

SunRoof's integrated approach lowers lifecycle emissions by generating clean energy onsite while using significantly fewer materials than traditional roof-and-panel systems. By transforming rooftops into high-output renewable energy assets, SunRoof accelerates decentralised electricity production and strengthens household and grid resilience. Its connected energy platform helps build a growing network of smart solar homes, enabling smarter energy balancing and opening the door to future energy-sharing models. Overall, SunRoof supports climate goals, advances the electrification of heat and mobility, and reduces reliance on fossil-based grid power while raising the standard for sustainable building technology.

Sunroof

2025 Performance (Q1-Q3)

Environmental

GHG emissions avoided, tonnes CO2e	18,263
Taxonomy alignment	100%
GHG emissions	Scope 1: 71 Scope 2: 3 Scope 3: 1,267
Non-renewable share of total energy consumption	100%
Carbon reduction initiatives aimed at aligning with Paris Agreement	Yes

Social & governance

Female representativeness	Yes: board of directors and management team
Human rights policy	Yes
Human rights due diligence	Yes
ESG incidents	No

Variolytics

Variolytics GmbH is a German cleantech company headquartered in Stuttgart, founded in 2020 as a spin-off from the Fraunhofer Institute. The company develops advanced sensor technology and AI-driven software for real-time monitoring and optimization of wastewater treatment processes. Its flagship solution, EmiCo™, combines proprietary measurement technology with process control software to detect and reduce GHG emissions – primarily nitrous oxide (N_2O) and methane (CH_4) - in wastewater treatment plants.

Facts

Investment focus area	Water and wastewater
Industry	Sensor technology in wastewater industry
Geography	Germany
Revenue growth	100%
Number of employees	26 FTEs
NAP investment date	January 2025
NAP equity stake	40-45%

The problem

Wastewater treatment plants (WWTPs) are a significant yet often overlooked source of greenhouse gas emissions, responsible for roughly 2% of global GHGs and up to 15% of the total municipal footprint in many European cities. N_2O – 260 times more potent than CO_2 – is the main contributor.
Historically, monitoring these emissions has been costly, inaccurate, and fragmented, leaving operators without the insights to optimise processes or comply with tightening regulations, such as the EU Wastewater Directive.

The solution

Variolytics addresses this challenge through a complete emissions control system that combines high-precision sensor technology with real-time data analytics and AI-driven process optimisation. EmiCo™ measures nitrous oxide and methane simultaneously in both gas and liquid phases, providing operators with accurate, continuous emissions data. This enables dynamic adjustments to aeration and related process parameters, resulting in significant emissions reductions and improved energy efficiency. The modular design also allows monitoring of multiple aeration tanks with a single analyser, making the solution cost-effective and scalable.

The impact

The GHG reduction depends on the specific WWTP's size and existing optimisation level. Variolytics' historical case studies indicate N_20 emission reductions ranging between 64% and 99% in the biological treatment stages. Furthermore, implementing Variolytics' technology can also cut WWTPs' energy consumption by as much as 20%. These improvements translate into several thousand tonnes of GHG emissions avoided per plant, supporting compliance with EU climate targets and advancing the goal of climate-neutral wastewater treatment by 2030. Variolytics' approach not only mitigates environmental impact but also delivers operational savings, positioning the company as a key enabler of sustainable infrastructure.

Variolytics

Key 2025 highlights

Environmental

- Conducted a carbon lifecycle assessment of the EmiCo Lite product.
- Conducted a physical climate risk assessment.
- Prepared a circular economy feasibility analysis and action plan.
- Prepared Mapping of no use of hazardous substances.

Social & governance

- Decided on e-learning supplier that will cover many ESG-related topics such as whistleblowing, anticorruption and human rights.
- Updated employee onboarding material.
- Updated website with topics on sustainability, including diversity.

2025 Performance

GHG emissions avoided, tonnes CO_2e	988,253
Taxonomy alignment	0% (2025), 96% (February 2026)
GHG emissions	Scope 1: 0 tonnes Scope 2: 57 tonnes Scope 3: 27 tonnes
Non-renewable share of total energy consumption	42%
Carbon reduction initiatives aimed at aligning with Paris Agreement	Yes
Female representativeness	Board of directors: yes, Management team: yes
Human rights policy	Yes
Human rights due diligence	Yes
ESG incidents	No

ESG focus for next year

- Implement the actions identified in the circular economy feasibility analysis and the physical climate risk assessment. Key ones are cloud data backups, flood risk audit and guidance for protecting devices under extreme events.
- Utilise the impact reporting tools (own and Climate Point) commercially.
- Enhance health and safety, whistleblowers and supplier due diligence procedures.

Additive Drives (early 2026 investment)

Additive Drives GmbH is a German technology company founded in 2020 and headquartered in Dresden. The company simplifies and pushes the limits of electric motors by their advanced development and manufacturing toolchain. This approach enables rapid prototyping and flexible series production without traditional tooling costs, significantly reducing development time and enabling customised designs for automotive, aerospace, motorsport, and industrial applications. With close to 600 completed projects and clients, Additive Drives has positioned itself as a leader in electrification technologies that combine efficiency, scalability, and sustainability.

> *We wanted to work with Nordic Alpha Partners because they have a unique toolkit for industrial scaling and navigating industrial transformations. We have been cash-positive from early on and we were looking for an operational partner that could really enable us to tap into hypergrowth and expand globally even faster*

Philipp Arnold
Chief Financial Officer at Additive Drives

Facts

Investment focus area	Industrial decarbonisation
Industry	Electric motors
Geography	Germany
Revenue growth	0% LTM (but 43% CAGR from 2020 to 2025)
Number of employees	26 FTEs
NAP investment date	January 2026
NAP equity stake	14%

The problem

Electrification is central to decarbonising transport and industry, yet conventional electric motor development is slow, costly, and constrained by design limitations. Traditional manufacturing methods require expensive tooling and long lead times, making it difficult to meet the growing demand for efficient, lightweight, and high-performance motors. At the same time, industries face pressure to reduce energy consumption and emissions while maintaining competitiveness and supply chain resilience. These challenges are amplified by geopolitical uncertainties and Europe's push for strategic autonomy in critical technologies.

The solution

Additive Drives leverages conventional and additive manufacturing to simplify and accelerate the development of electric motors. By using AI driven development processes and advanced cooling designs, the company achieves minimum 20%, but up to 45% higher power density and 70% lower losses compared to conventional motors. Its patented technologies, such as NextPin, reduce AC losses by up to 50%, while optimized cooling and insulation materials enhance durability and efficiency. This approach enables rapid prototyping within days and cost-effective series production in quantities from one to tens of thousands, supporting applications from electric vehicles and aviation to robotics and heavy-duty machinery

The impact

Additive Drives contributes to the global energy transition by redefining the boundaries of electrification. Its motors deliver up to 98% efficiency and significantly reduce energy losses, cutting operational emissions across sectors. By enabling lightweight designs and localised production, the company helps lower material use and improve supply chain resilience - priorities for Europe's clean industrial strategy. Through advanced manufacturing and green energy integration, Additive Drives supports climate goals while strengthening Europe's technological sovereignty in critical electrification components.

Hybrid Greentech (early 2026 investment)

Founded in 2018, Denmark-based Hybrid Greentech delivers advanced software and consulting that optimize battery energy storage systems (BESS) and integrate them into virtual power plants. Hybrid Greentech is the missing link to 100% renewable power, with an award-winning, fully automated VPP that optimises assets and unlocks multi-market revenue. As a BRP and retailer, it operates as a vertically integrated stack that includes trading, multi-market optimisation, asset interfaces, analytics, and settlement in one platform. Their mission is to accelerate the transition to renewable energy by making storage smarter and more efficient.

“The green transition is complicated, but the mission is simple: get more flexibility into the system, get every bit of value out of assets, and make renewable power work at scale. Already before it invested in Hybrid Greentech, Nordic Alpha Partners created tremendous value through several strategy workshops, building close relations with Hybrid Greentech’s various teams and management. Together, we are building the missing link for 100% renewable energy, and this investment helps us scale faster across Europe.

Rasmus Rode Mosbæk
CEO and Founder

Facts

Investment focus area	Energy transition
Industry	Energy storage and Smart Grid / Power markets
Geography	Denmark
Revenue growth	72%
Number of employees	30 FTEs
NAP investment date	January 2026
NAP equity stake	19%

The problem

Europe’s energy system is reaching its limits. Rising demand, increasingly volatile renewable generation and a lack of effective storage are putting pressure on an ageing grid. The EU expects energy consumption to increase by 60% by 2030, while around 40% of Europe’s grid infrastructure is already more than four decades old. Meeting the need for a more digital, decentralised and flexible energy system will require close to €600bn of investment over the next four years alone.

The solution

Hybrid Greentech addresses this problem head-on. By enabling renewable energy assets and storage capacity to operate as part of a single, coordinated system, their technology unlocks significant gains in flexibility, efficiency and performance, helping Europe transition faster and more capital efficiently to a resilient energy system. Hybrid Greentech supports the deployment and operation of BESS across the full project lifecycle. Hybrid Greentech helps customers build strong business cases, navigate permits and grid processes, integrate assets, and trade them across multiple markets through our fully automated virtual power plant. As a vertically integrated VPP, BRP and retailer, they take storage and flexible assets to the next level by stacking value across wholesale and ancillary service markets.

The impact

By maximising renewable utilisation and reducing fossil-fuel dependency, Hybrid GreenTech enables its customers to cut emissions significantly. Since 2018, HGT has provided consultancy services to BESS, corresponding to over 1000 MW. Furthermore, 45 MW of flexible assets were connected to HGT’s VPP in 2025. Their solutions also extend battery lifespans, reducing resource waste, and make green projects more economically viable - accelerating the global shift toward a low-carbon future.

08 Fund I portfolio companies

2025 Portfolio Highlights

866,936	**Tonnes CO_2** avoided since inception[12]
262,193	**Tonnes** waste recycled[13]
210	**Jobs** created since inception[14]

12 This represents a high-level estimate of the cumulative reduction in GHG emissions achieved by Fund I's portfolio companies during NAP's holding period. This estimate is derived from a combination of direct inputs provided by the portfolio companies and an analytical comparison with alternative products in the market. Methodology for currently held portfolio companies has been reviewed in 2025.

13 Estimated weight of waste or non-virgin materials used in production of units, in metric tonnes. This is calculated separately for each portfolio company to which it applies: Re-Match: weight of worn-out artificial turf recycled. Mater: waste used in production of new furniture. AquaGreen: wet sludge processed in their facilities.

14 Change in number of jobs in a portfolio company from the time of NAP entry until December 2025 or exit.

Fund I portfolio companies

Company	Impact	NAP value pool	Entry	Equity	SDG Contribution
Agro Intelligence ApS Leading the automated farming transformation using AI, machine vision & robotics.	Reduced soil compression increases crop output and reduces fuel consumption due to low weight machinery Agrointelli enables pesticide spot spraying and minimizes herbicide use.	Agriculture, food & forestry	October 2020	33.3 – 49.9%	
AquaGreen Holding ApS Pioneering biomass circulation through advanced drying and pyrolysis.	An pyrolysis plant saves CO_2e, stores CO_2e in biochar, produces renewable energy and recirculates life critical phosphorus.	Water & waste water	March 2021	20-24.9%	
DyeMansion GmbH Empowering the industrialization of 3D printing.	3D print enables local production and reduces emissions by minimizing transportation. Direct production leads to less waste, as companies avoid buffer stock.	Industrial decarbonisation	July 2020	15-19.9%	
Mater A/S Pioneering sustainable furniture through cleantech and circular production.	All products are sustainable in some way and waste is used as raw materials for new furniture.	Circular economy and waste	April 2021	25-33.3%	
Green Hydrogen Systems A/S Enabling green hydrogen by developing the most efficient alkaline electrolyzer.	Green hydrogen is projected to be one of the most important energy sources of the future and can be used for industrial fuel, storage to power, power to X and grid stabilization.	Energy transition	August 2019	0%	
Re-Match A/S Innovating the first and only green and fully circular artificial sports surface turf.	Recycling artificial turf is a core circular activity, resulting in lower CO_2 emissions.	Circular economy and waste	February 2019	0%	
Spirii Aps Leader in EV charging platform solutions.	Charging infrastructure enables electric vehicles, which replaces fossil transport.	Energy transition	March 2021	0%	
Wiferion GmbH Market leader in industrial wireless charging systems.	Wireless charging infrastructure enables electric trucks replacing fossil fuel industrial trucks. In-process-charging means fewer vehicles and smaller batteries are needed.	Industrial decarbonisation	September 2019	0%	

09 Sustainability performance for own operations

In 2025, NAP made significant progress on advancing its ESG performance internally. Social and governance initiatives were launched to improve decision making and enhance our culture and workforce.

Environmental

As a small team in headcount terms, NAPs own environmental footprint is small. However, it is increasing as our team and business activities have grown. NAP purchases green energy attribute certificates for its scope 2 emissions, covering electricity consumption of our offices. Work-related travel, including employee commuting, is a notable contributor to NAP's total emissions. NAP prioritises climate-friendly transport as far as possible. As of 2025, 89% of our team primarily use climate-friendly transport methods to commute to work; 56% cycle or walk, 17% take the train and 11% drive electric vehicle cars. NAP has installed two electric charging stations at our Danish office, which are available to both staff and visitors. In addition, we have negotiated a special discount scheme with the charging station operator Spirii to further encourage electric car use.

Social

At NAP, our commitment to social responsibility is embedded in our culture, policies, and daily operations. We believe that a sustainable business is built on a foundation of respect, inclusion, and well-being for all employees. Our approach to social matters is guided by clear policies and values that foster a safe, supportive, and equitable workplace. NAP's culture is built on trust, respect, and collaboration, with a strong emphasis on maintaining a positive and inclusive atmosphere.

From the moment new employees join NAP, they are introduced to our strategy, values, and comprehensive policies covering DEI, anti-discrimination, and workplace safety. We prioritize employee development through performance reviews and ongoing dialogue, ensuring that everyone can grow and thrive. We maintain an active occupational health and safety committee, conduct regular workplace assessments, and implement measures to prevent harassment, discrimination, and bullying.

In 2025, we implemented several initiatives to improve working conditions for our employees. This includes enhanced parental leave, holiday and insurance; the establishment of a DEI committee to ensure progress on our DEI efforts; adjustments to our recruitment process for more structure and less bias; and the introduction of transparent guidelines for career developments. During the year, two of our younger professionals have been promoted, and another has moved on to a commercial role in one of our portfolio companies. Furthermore, eight employees participated in the executive program, GRIP, to develop professionally.

Governance

Strong governance is fundamental to NAP's approach to sustainability and responsible business conduct. Our governance framework is built on transparency, accountability, and ethical decision-making, ensuring that our operations meet high standards of integrity. Employees are required to follow our compliance framework, which includes policies on e.g. insider information, conflicts of interest, anti-bribery, gifts and entertainment, IT security, anti-money laundering, and GDPR. Our Code of Conduct outlines our core values - community, integrity, professionalism, ambition, and humour - and provides practical guidelines for ethical behaviour and collaboration.

NAP maintains a structured and transparent reporting framework for its investors. This includes periodic updates, including disclosures aligned with SFDR and EU Taxonomy requirements. Beyond formal reporting, NAP prioritises ongoing dialogue with investors through regular communication and collaborative processes. Decision-making processes are clearly defined, e.g. with mandates and approval limits set for financial transactions and the selection of external suppliers. In 2025, there was a particular focus on advancing our investment decision making process for consistency, quality and efficiency. Furthermore, we conduct regular ESG and compliance training and internal reviews to ensure all staff understand and adhere to these policies. In 2025, ESG and compliance training covered among others climate risks, DEI and regulatory updates on SFDR, CSRD as well as GDPR-brush up, cyber security and AML/KYC.

Sustainability performance of own operations

	Unit	2025	2024	2023	Comment
Environment					
Scope 1 emissions	Tonnes CO_2e	0.0	0.0	0.0	
Scope 2 emissions (market-based)	Tonnes CO_2e	1.0	1.9	3.5	All electricity is covered by green attribute certificates.
Scope 2 emissions (location-based)	Tonnes CO_2e	1.7	1.4	2.9	The increase is due to higher electricity use.
Scope 3 emissions	Tonnes CO_2e	52	63	42	The decrease is primarily driven by lower travel by plane.
Energy consumption	MwH	33	34	35	
Share of renewable energy sources	%	40	13	6	Updated methodology by using the average Danish energy consumption source instead of the share of electricity covered by green attribute certificate.
Social					
Gender distribution - all employees					
Female	%	32	27	26	
Male	%	68	73	74	
Other	%	0	0	0	
Gender distribution – senior level employees					
Female	%	13	13	17	
Male	%	87	87	83	
Other	%	0	0	0	

Sustainability performance of own operations

	Unit	2025	2024	2023	Comment
Social					CONTINUED
Age distribution - all employees					
< 30 years	%	24	20	30	
30-50 years	%	55	53	52	
> 50 years	%	21	27	17	
Nationality distribution - all employees					
Danish	%	94	100	100	One Swedish person joined NAP in 2025.
Other	%	6	0	0	
Gender pay gap	%	0	-4	-7	
Gender distribution - fund II investor board					
Female	%	29	29	25	
Male	%	71	71	75	
Other	%	0	0	0	
Governance					
Number of ESG personnel	FTE	1	1	0	
Employee ESG training (average per employee)	Hours	10	7	4	The increase is driven by the fact that eight people participated in GRIP educational programme, which covers ESG-related topics
Employee compliance training (average per employee)		4	4	4	
Long-term sickness absence	%	0	0	0	

10 Methodologies and definitions

Methodologies and definitions

NAP fund II portfolio data – accounting policies

ESG data reported for the portfolio companies of NAP Fund II are presented according to the methodology laid out for “Principal Adverse Impact Indicators” (“PAIs”) of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 and the supplementary acts to this Regulation.

Sustainable Finance Disclsoure Regulation (SFDR): SFDR is an European Union regulation, which was implemented to improve transparency in the market for sustainable investment products. It requires financial market participants and advisers to disclose how they integrate environmental, social, and governance (ESG) factors into their investment decisions and advice. SFDR requirements are detailed in Regulation (EU) 2019/2088.

The data has been derived from self-reported information provided by portfolio companies of the Fund with support from NAP and a third-party consultancy. Additionally, the data has been reviewed and scrutinized by the third-party consultancy in close cooperation with NAP and the portfolio companies.

GHG emissions avoided: Based on NAP’s internal framework. Avoided emissions are estimated for each portfolio company with specific avoided emission factors for e.g., each product and country. These factors are then applied to the periodic sales of the individual companies. Each company’s avoided emission model was updated at the end of 2025. This process was conducted in close collaboration with an external third-party specialist and each of the portfolio companies to ensure the models utilize the latest available data-sources and assumptions.

GHG emissions: CO2 emission calculations are reported based on factors derived from relevant sources that align with the Greenhouse Gas (GHG) Protocol.

Total renewable energy production enabled for customers: Based on estimated lifetime energy production factors, total renewable energy production enabled for customers is calculated based on reported product sales of portfolio companies. This metric concerns only portfolio companies that offer energy-producing products.

EU Taxonomy: Eligibility and alignment percentages are derived based on the degree to which turnover, CAPEX and OPEX of portfolio companies is understood to qualify as “eligible” and “aligned” under the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and the supplementary acts to this Regulation. The reported figures are given by the companies pursuant to third-party evaluations of the linkage between the Regulation and their financial streams. The EU Taxonomy assessments for each of the portfolio companies were updated and reassessed during the end of 2025. This process was conducted together with an external third party specialist and employees from each of the portfolio companies.

Fund I portfolio data - definitions

GHG emissions avoided: This represents a high-level estimate of the reduction in carbon dioxide emissions achieved by Fund I’s portfolio investee companies. This estimate is derived from a combination of direct inputs provided by the portfolio companies and an analytical comparison with alternative products in the market. Specifically, it accounts for the environmental impact of the companies’ products, focusing on their end use and how they contribute to reducing CO2 emissions when compared to conventional or competing products.

Waste recycled: Estimated weight of waste or non-virgin materials used in production of units, in metric tonnes. This is calculated separately for each portfolio company to which it applies:

• Re-Match: weight of worn-out artificial turf recycled.

• Mater: waste used in production of new furniture.

• AquaGreen: wet sludge processed in their facilities

Jobs created: Change in number of jobs in a portfolio company from the time of NAP entry until December 2024 or exit.

Financial data

Financial information used throughout the report is based on 2025 unaudited management reporting, unless otherwise specified. Financial data may be subject to revision in the audited financial statements.

Year-on-year (‘YoY’) revenue growth rate: Change in revenue compared to 2024 revenue figures, expressed as a percentage % of prior revenue. Calculated using self-reported, unaudited financial data for 2025 so may be subject to revision.

2025 Revenue: Unaudited 2025 annual turnover based on self-reported data. This figure may be subject to revision in the audited financial statements. Ownership: Undiluted ownership, excluding warrants, expressed as a range of percentage of total share capital held

Methodologies and definitions

Own operations – accounting policies

ESG information on own operations concerns the operations of NAP fund II's management companies –Nordic Alpha Partners II ApS.

Environment

The environmental reporting presents the operation of the NAP' management company. Data is internally compiled. Reporting on CO_2e emissions is aligned with the GHG Protocol.

GHG emissions – scope 1: The management company does not have any direct emissions from company vehicles or company facilities.

GHG emissions – scope 2: The emissions related to Scope 2 are derived from the usage of energy from the facilities' district heating system and electricity provided by external suppliers. The calculation of GHG emissions from the district heating system and electricity consumption is calculated based on the Danish average emission factors provided by CTR, HOFOR and VEKS (2024) and the energy consumption at the facilities. Scope 2 emissions are presented in accordance with both the location-based and market-based approach. For the location-based approach, average grid emissions factors for electricity have been applied. For the market-based approach, the consumption of energy attributable to renewable energy certificates have been subtracted. The consumption of energy through certificates is based on an actual full year's electricity consumption in the management company' facilities.

GHG emissions – scope 3: The emissions related to Scope 3 are related to purchased goods and services, business travel and employee commuting to and from work.

Purchased goods and services: The emissions from laptops, keyboards, mouses and mobile phones are derived from the total number of purchased items and relevant emissions factors from Apple (2022) and Logitech (2022).

Business travel: Business travel presents separate emissions from flights, trains, taxis and ferries. The emissions are calculated by applying the spend-based method. The emissions factors are based on Exiobase (2019). The data is obtained from NAP' accounting system.

Employee commuting: The emissions from employees commuting by car are presented separately for petrol combustion engines and electric vehicles. The emissions are calculated using the relevant emissions factors from NTMCalc. Advanced 4.0 and DEFRA (2024).

Energy consumption: The data for energy consumption is based on monthly statements received from the energy suppliers.

Share of renewable energy: The share of renewable energy is calculated based on total energy consumption and the amount of certified renewable energy. Renewable energy certificates are obtained through electricity suppliers.

Social

Number of employees: The number of employees, end of year, is based on information registered in the Nordic Alpha Partners II ApS' accounting system at the end of Q4 2025.

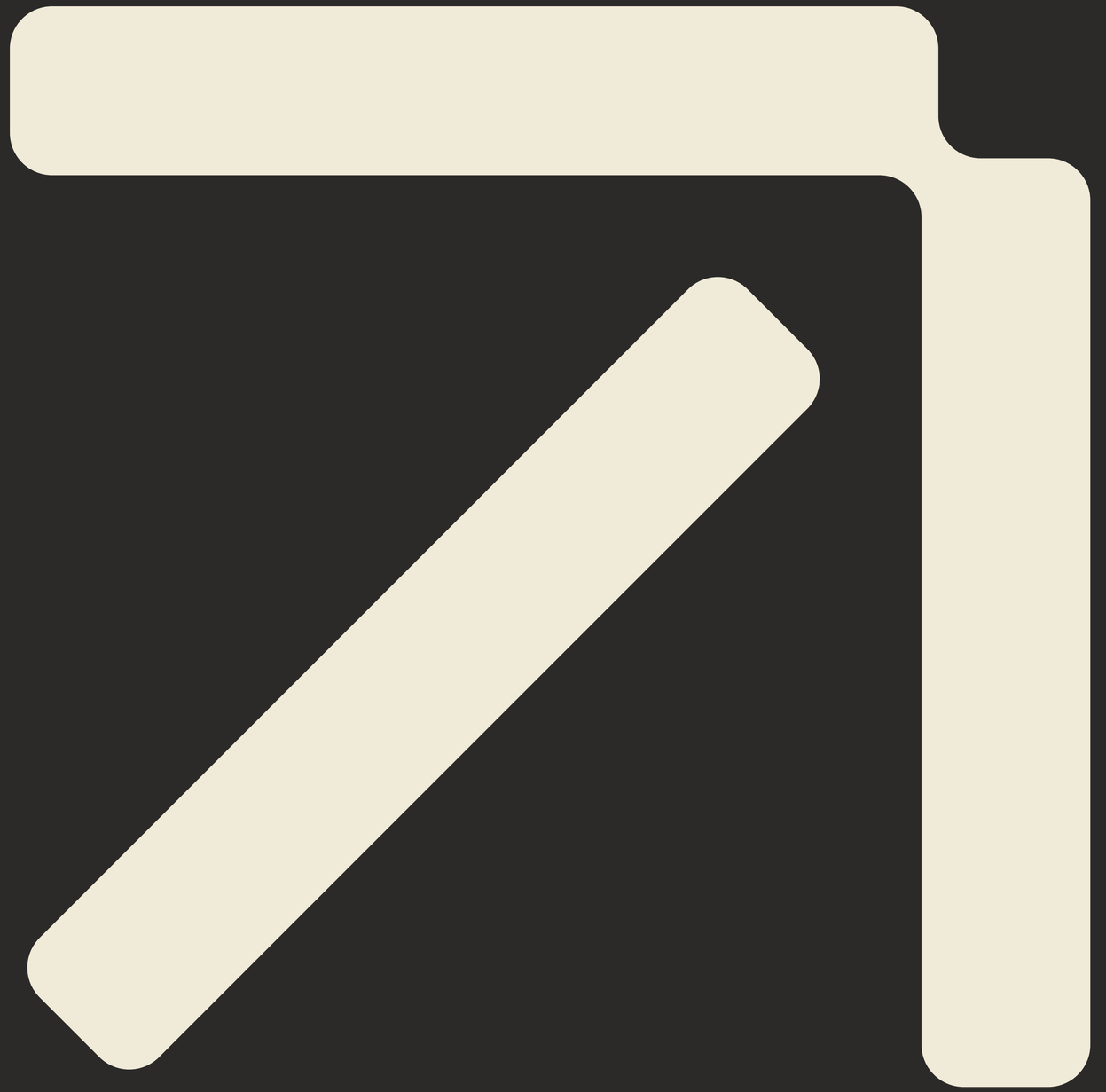
Employee distribution: The employee distribution is based on total FTEs put into 3 separate categories: gender, age, and nationality. Employees are further grouped into senior level (partners and directors) and all other employees. The information is based on HR data.

Employee training: Number of hours of employee training held during the year. Information is based on HR data.

Gender pay ratio: The ratio has been calculated based on the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees. The December 2025 salary has been used for all full-time non-partner level employees.

Long-term sickness absence: The information is based on HR data.

Distribution of investor board: The distribution of Fund II investor board is based on percentages of board members between genders.



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