

Real Returns
Lasting Impact



ABOUT THE IMPACT REVIEW

This document is Trill Impact’s first Impact Review (“the Review”). From idea to completion, the Review was developed and assembled in-house by Trill Impact. We thank everyone involved, including our joint collaborators, the dedicated Impact team, and the IR team at Nordea. The Review seeks to convey the virtues that Trill Impact fosters in its culture, and we believe it is a testament to the mission and the values which guide our business and team. Here, we look back on the milestones achieved and the journey ahead.

At Trill Impact, born out of the idea to create a more sustainable world to leave to the next generation, we carry impact proudly in our name. We strive in all facets to work towards improving outcomes, aiming to provide opportunities to people and leave a positive footprint on the planet to create real returns with lasting impact, with the support of investors, portfolio companies, and broader stakeholders. We are thrilled to present our impact approach, resulting in achievements and a vision for the future. Our goal is to inspire others to follow the same path.

The Review has been compiled by Trill Impact AB and its subsidiaries, advisors to the Trill Impact Fund and the Trill Impact-DWM SDGs Credit Fund. Throughout this Review, any reference to “us”, “we” or “Trill Impact” may refer to either, the Advisor or the funds, or both, as applicable and appropriate in the context. For further information, please also refer to the “Definitions” section at the end of this Review.

For reference, the data and information cover the period from 1st January 2021 to 31st December 2021. All content included in this Review is the property of Trill Impact or others noted herein and is protected by copyright and other laws. All trademarks and logos displayed in this Review are the property of their respective owners.

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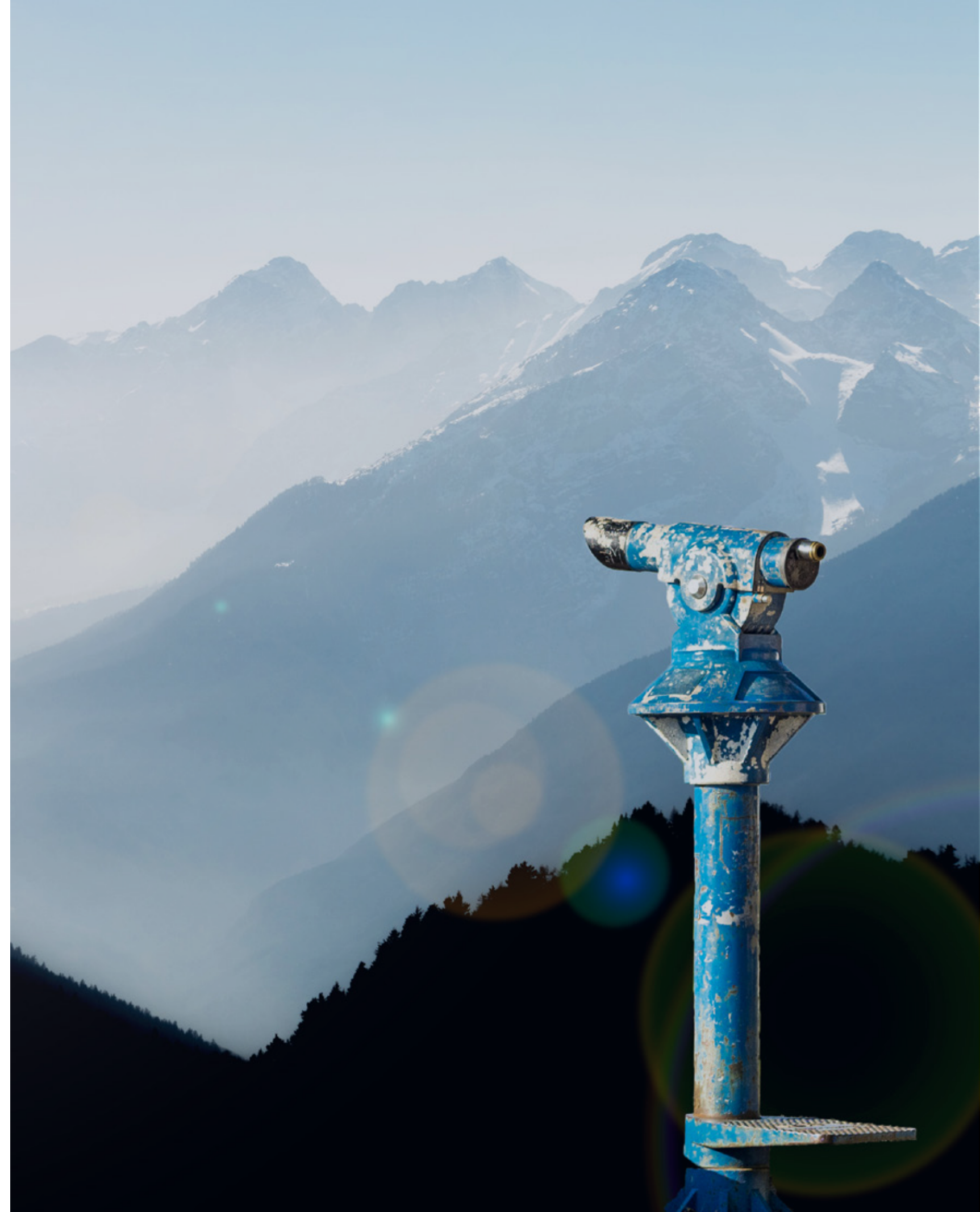
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TRILL IMPACT - THE HOUSE OF IMPACT

Trill Impact is an impact house, established to become a thought leader and a force to accelerate and transform businesses with positive impact potential.

Trill Impact addresses global challenges and seeks investments that provide solutions in mature, as well as in emerging and frontier markets, across investment strategies and business sectors benefiting from sustainability megatrends - on a small and large scale.

This section

- Jan Ståhlberg, Trill Impact founder, reflecting on 2021 and the way forward
- Trill Impact overview
- Journey to date
- Strategic pillars

REFLECTING ON 2021 AND THE WAY FORWARD

How would you describe the past year?

We have all been affected by the pandemic, and the entire world was so looking forward to getting back to normal. I am by nature a positive person – but now I am concerned that the war in Ukraine is dragging us backward in aspects beyond the humanitarian. With the current environment, less sustainable options are becoming the easier choice but in the long run “the old ways” will make life more difficult for us. The pandemic showed the strength we can have by pulling together as science created effective vaccines at unprecedented pace and scale. We can hope for more of that collective ingenuity and optimistic energy in the future.

What does impact investing mean to you?

Impact is deeply embedded in our DNA as Trill Impact was created to achieve positive impact and financial returns simultaneously. I believe that focusing on sustainable solutions, financially and operationally, is essential; positive impact can improve the financial returns in many situations. Impact investing by the private sector is, in my view, a vital and powerful force for the changes we need not only now but also for the future. I am very happy that impact investing has rapidly been accepted as an effective and necessary force to help today’s societies and our planet’s challenges.

Trill Impact’s investment philosophy is to identify investments that have this dual potential, real returns with lasting impact. Trill Impact seeks investments that have positive impact at the core of their business, as well as somewhat more mainstream companies that we can help convert to impactful businesses.

Do you see Trill Impact being a differentiator?

Trill Impact invests to deliver impact in many different dimensions, in mature as well as in emerging and frontier markets and across business sectors. We also want to be an inspiration to others and a thought leader in impact investing. Therefore, we are very proud that we were pioneers in facilitating credit facilities that are tied to the achievement of the Paris Agreement for the Trill Impact Fund. Trill Impact has also embedded impact specialists and impact and ESG training as part of the investment and value creation processes. We aim to be a leader in analyzing the footprint of a portfolio company on people’s daily lives, society, and the planet.

What are your expectations going forward?

In 2022 we expect that the Fund will gear up its investment pace in impactful businesses. We expect to be able to continue to help developing countries by supporting more microfinancing that will lift entrepreneurs out of poverty. We hope to continue making more investors aware of the importance and ability to make a positive impact on the world without sacrificing returns.

While a number of events may distract us from choosing sustainable options currently, I firmly believe that we need to keep future generations in mind. It is imperative, for those of us who can, to pick up the pace to progress to meet future societal needs.



Jan Ståhlberg
Founder and Managing Partner

“I am convinced that impact investing is a key force for achieving positive change. Trill Impact will be doing its utmost to lead the way and our goal is to inspire others to follow the same path”



OUR MISSION

REAL RETURNS AND LASTING IMPACT

Look closer and you'll see the passion and strong commitment behind the statement "Real Returns and Lasting Impact."

We are impact makers; we carry impact proudly in our name.

The team and every building block of our impact house are designed to act as a force for change for the benefit of future generations. We aim to engage in businesses with the potential to accelerate growth, contributing to a positive impact on our planet, the people and our society.

Vision

We strive to become the first choice for mindful investors, businesses and talent who intend to drive positive impact on people and our planet, while building prosperous businesses.

Mission

Our everyday passion is Real Returns and Lasting Impact - for the benefit of investors, businesses and society at large.

Values

- T** True to the mission
- R**espectful to people and our planet
- I**nnovative solutions
- L**eading change
- L**asting impact

Team

Trill Impact has a strong and diverse team of 35 talented professionals comprised of 11 nationalities, including dedicated Impact and ESG experts through a strategic partnership with Nordea Asset Management. Trill Impact has two advisory offices, Stockholm, Sweden and Munich, Germany.





DESIGNED FOR IMPACT INVESTING

Trill Impact's investment strategy focuses on addressing the needs to fulfil the 17 UN Sustainable Development Goals (SDGs)

In 2021, Trill Impact contributed to 11 of the SDGs through the Fund's portfolio companies and the Microfinance strategy.



We identify and assess a target business' potential to address societal challenges, guided by our three overarching themes:

- Sustainable planet
- Healthy people
- Secure society

Sustainability revolution for the benefit of the planet, people and businesses

Private markets have a vital role in achieving the SDGs by driving change at scale and speed. This sustainability revolution will continue transforming how people and governments act, how industries function, and how consumers behave. Trill Impact further believes that this fundamental change in markets, technology and the regulatory environment will generate significant business opportunities across private market impact strategies.



TRILL IMPACT'S INVESTMENT STRATEGIES

Trill Impact Private Equity

Targeting mid-sized companies in Northern Europe with strong impact management and growth potential, where every single investment should contribute to a better world.

EUR 900 million in commitments

closed in July 2021


Trill Impact Microfinance

Lending to microfinance institutions in frontier and emerging markets, seeking to accelerate financial inclusion in parts of the world where it's needed the most.

EUR 150 million* AUM

as of December 2021

* Approximate value based on the European Central Bank USD/EUR forex rate as of 31.12.2021



INVESTMENT STRATEGY TRILL IMPACT PRIVATE EQUITY

Trill Impact Private Equity is acting as a force for positive change in Northern Europe.

We are convinced that impact investing creates societal benefits and generates superior financial returns. Our Private Equity strategy is targeting attractive businesses with the potential to accelerate their contribution to the SDGs, from products and services or to become impact leaders in their respective industries from sustainable value chains.

Portfolio company key impact highlights 2021



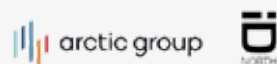
83k tonnes CO₂ emissions avoided by the customers of Nordomatic (+19% vs 2020)



Addressed 3.7 million learning needs of children and students



800+ Mesalvo installations in medical institutions



72k identities protected by European ID Security

Key societal challenges the companies address

Buildings represent 40% of the energy use in the EU. The EU is off track to meet its 2030 energy efficiency and effort sharing emissions targets.

Today more than 20% of students are underachieving in reading, math and science in the EU.

Human errors were the origin of 400k - 800k avoidable adverse events and 20k deaths in hospitals per year, in Germany alone.

In 2021, costs to society linked to cybercrime amounted to EUR 5.5 trillion, 6% of the world's GDP.



INVESTMENT STRATEGY TRILL IMPACT MICROFINANCE

Trill Impact Microfinance is accelerating impact where it's needed most, empowering microentrepreneurs in frontier and emerging markets. Trill Impact Microfinance reached EUR 150 million in AUM, facilitated lending to 31 microfinance institutions reaching about 5.4 million microentrepreneurs. The entrepreneurs are located in 24 countries. 74% are women.

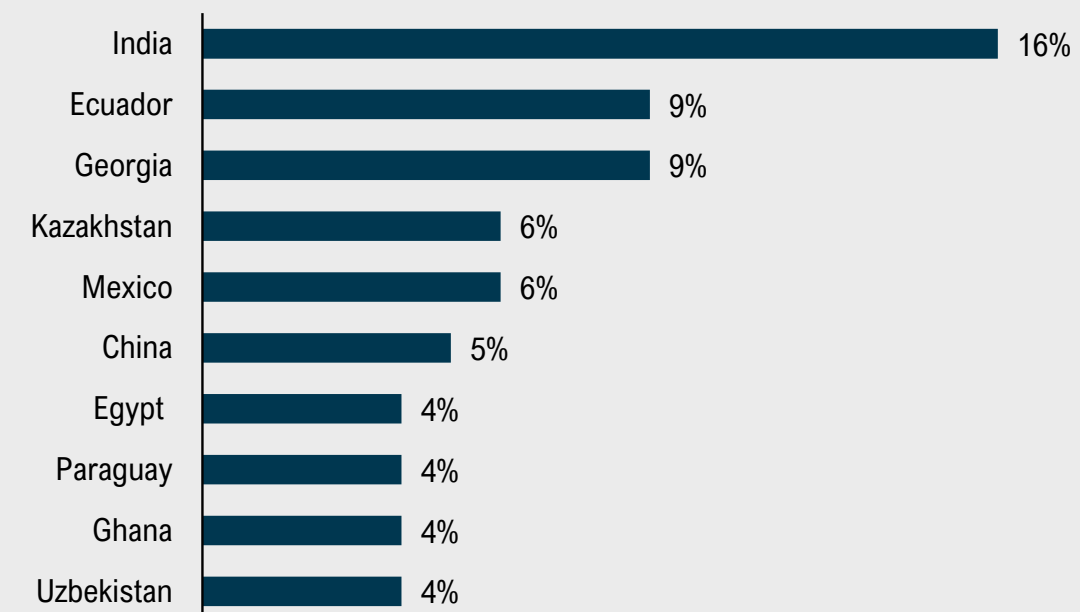
Trill Impact Microfinance solutions

Around 9% of the world's population lives in low-income households. Of this group, a majority earn their livelihoods by being self-employed or working in microenterprises, i.e., small businesses that employ up to five people.

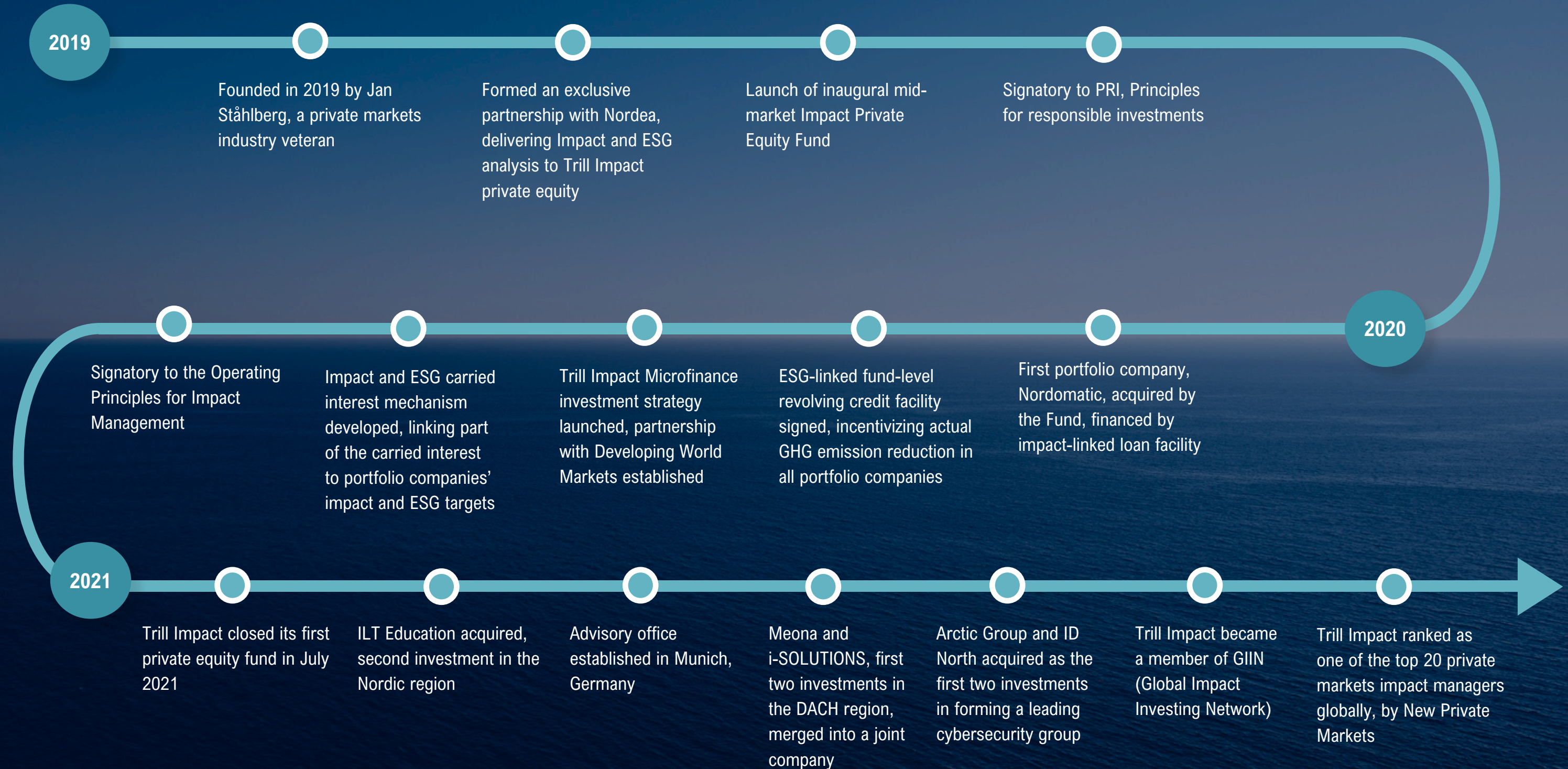
Many microentrepreneurs in frontier and emerging markets have unmet financing needs. They often fail to secure the capital they need implying missed opportunities for growth because they do not have access to financial resources, e.g., loans or a safe place to hold savings. Trill Impact helps with financing through its Microfinance strategy.

Trill Impact Microfinance Fund country overview

Top 10 countries



TRILL IMPACT'S JOURNEY - KEY MILESTONES SINCE INCEPTION IN 2019



TRILL IMPACT'S DIFFERENT FRAMEWORKS AND RECOGNIZED PROGRESS

Signatory and cooperation – Impact and ESG frameworks and organization

Signatory of



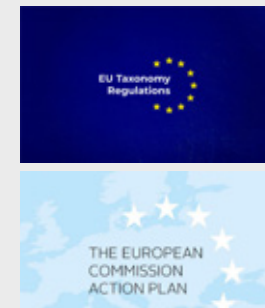
Users of



Comply to

Sustainable Finance Action Plan, including:

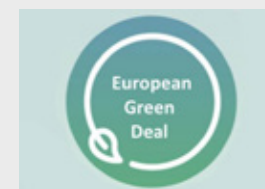
EU taxonomy



Sustainable Finance Disclosure Regulation (SFDR)



Green Deal



Member of



Impact verification

BlueMark assessed and assigned Trill Impact the highest possible result – considerably better than the median result based on 30 verifications



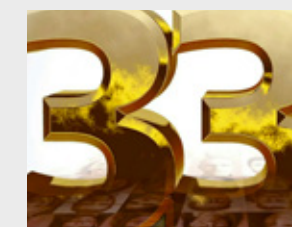
Awards



Real Deals recognized Trill Impact as one of the Future 40: Impact Investments Funds



Trill Impact ranked as one of the top 20 private markets impact managers by New Private Markets



Olena Velychko listed in Aktuell Hållbarhet 33 Top Sustainability Talents under 33

TRILL IMPACT'S STRATEGIC PILLARS

In 2021, we developed strategic goals and an action plan for the coming years to deliver on our vision to become the first choice for mindful investors, businesses, and talents who intend to drive a positive impact on people and our planet while building prosperous businesses. Follow our intention and our progress to date on the following pages.

Choice for like-minded investors

Seek returns with impact through a reputable ecosystem for responsible investing

Business owners' preferred partner


Approach to build value creating impact leaders – businesses and people

Employer of choice

Offer a career with a higher purpose

Thought leading force for impact

Best practice on impact, inspiring others to follow



Trill Impact's mission is to create real returns and lasting impact. We partner with others like us – investors, business owners, talents, industry, impact experts and financing providers who all have the same intent – to act as a force for change for the benefit of future generations.

CHOICE FOR LIKE-MINDED INVESTORS

Seek returns with impact through a reputable ecosystem for responsible investing

Goals

Deliver market-rate returns and measurable lasting impact

Be the go-to firm for impact investing expertise

Next step 2022

Provide investors with financial product disclosures according to the EU taxonomy and SFDR regulation

Dedicated impact investor

Trill Impact is one of the largest dedicated impact investing specialists globally with more than EUR 1 billion in AUM across our Impact Private Equity and Microfinance investment advisory strategies.

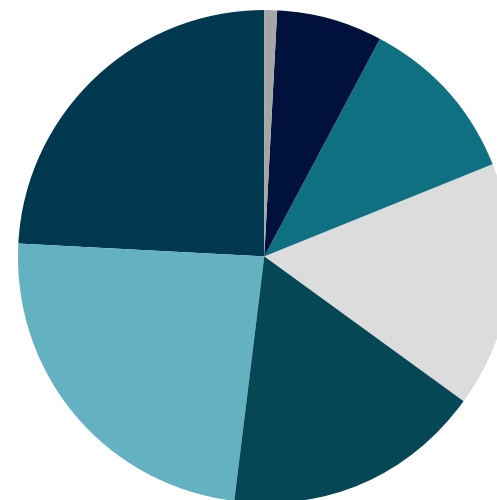
Trill Impact closed its first Private Equity Fund in July 2021 and attracted an international base of prominent institutional investors. Trill Impact Microfinance, launched in 2020, advises on private debt lending to microfinance institutions in emerging and frontier markets.

The investor base predominately consists of pension plans, insurance companies and asset managers from Europe and North America with longstanding private market investment programs.

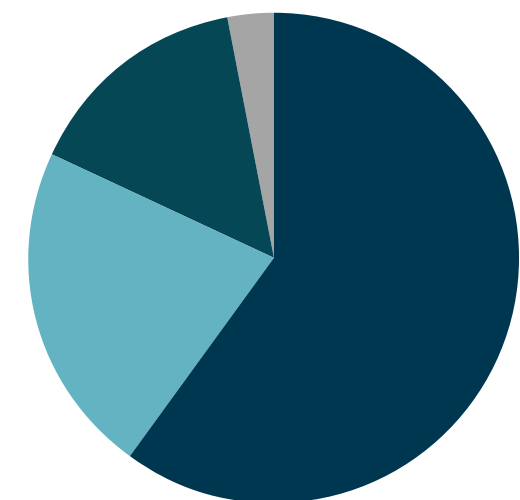


Investor base of the Private Equity Fund

- Pension 24%
- Insurance 24%
- Asset Manager 17%
- Foundation 16%
- Institutional Family Office 11%
- Corporate Investor 7%
- Govt. Agency 1%



- Nordic Region 60%
- North America 22%
- Europe 5%
- South America 3%



BUSINESS OWNERS' PREFERRED PARTNER

Approach to build value creating impact leaders – businesses and people

Goals

Make every portfolio company an impact leader while creating value in its field

Make every leader and board member of a Trill Impact portfolio company an ambassador for positive change

Next step 2022

Launch an Impact Champion Program for portfolio companies – leadership development combined with value creating impact and ESG training

Building impact leaders, businesses and people

Trill Impact invests for returns and impact in everything from the promising entrepreneur in an emerging market to the established company in the industrialized part of the world.

In our Private Equity strategy, our ambition is to be the preferred partner for business owners. It is embedded in our sourcing and investment process to understand each company's uniqueness deeply. We gain insights into how Trill Impact can contribute with competence, connections, capital - and how our impact culture can help the targeted company deliver on its full potential. Our areas of expertise range from M&As, geographic expansion, service acceleration to all typical operational levers that strengthen and expand businesses with impact and ESG as an integral part of the value creation plan.

Measure to improve

Trill Impact actively tracks and facilitates progress to improve impact and financial outcomes by setting, measuring, and managing relevant impact and ESG KPIs and targets. We aim to measure what is relevant to improve the business.

We follow regulatory trends and use recognized impact and ESG frameworks integrated with our proprietary approach to assess, measure and manage progress. Trill Impact aims to provide each portfolio company with hands-on support to facilitate impact and ESG reporting.

Highlights 2021

During 2021, the onboarding process of all companies acquired by the Trill Impact Fund during the year was initiated, but not finalized. The onboarding is a step-by-step approach. Each company defines how they can accelerate their positive impact from their business – e.g., patients reached, students and children provided with reading tools, and the number of identities protected. Together with the management teams of the portfolio companies we seek the most suitable KPIs to drive value creating impact activities. We agree on crucial actions to capture any low-hanging fruit and longer-term opportunities.

As part of the onboarding process, we also focus on ESG matters. These matters are stated as hygiene but also differentiating factors in each company's operations – to address their footprint, including climate and resource efficiency, and social and governance risks and opportunities. We discuss how each company can instill or strengthen its position as an attractive employer and scale up a resilient supply chain.



EMPLOYER OF CHOICE

Offer a career with a higher purpose

Goals

Unique innovative culture focused on delivering societal and planetary impact

Strong sense of trust, freedom and performance

One Trill Impact team characterized by diversity and inclusion

Inspiring, visible and accessible leadership – setting the tone at the top

Excellent opportunities to grow and further develop professional and personal skills

Next step 2022

Continue execution along the goals defined for 2025

The team - our value drivers

Trill Impact recognizes our people as our most valuable asset. Our impact values are an integral part of the hiring process, daily operations, performance assessments, and training and development of the team. We recruit people who are open to new ideas and perspectives, proactively seek excellence and are passionate about making a difference. We have a high-performance culture and strive to create and foster a supportive and collaborative environment in which all individuals realize their maximum potential within the firm, regardless of any actual or perceived differences. We actively work to create a sound and stimulating working environment that treats all individuals fairly. We continually evaluate gender balance and equality, and all team leaders are encouraged to aim for this goal in their respective teams.

Building impact and industry excellence

Trill Impact believes knowledge sharing is key to success. During regular lunches, the entire team comes together for informal presentations and workshops regarding current topics, including Impact and ESG. Recent workshops and presentations included the following topics:

- SDGs – unmet needs and priorities in targeted markets
- Impact measurement
- Climate and science-based targets
- Bribery and corruption
- Sustainable digitalization
- Diversity and unconscious bias
- ESG Due Diligence
- EU Sustainable Finance regulations

Highlights 2021

Training and coaching

- Frequent impact and ESG training to increase impact thought leadership
- Workshops involving all team members in the firm's strategy and impact work
- Professional development plans including clear goals for each team member
- Annual eNPS survey from 2021
- Annual 360 evaluation combined with performance dialogues
- Feedback surveys and regular feedback dialogues

Attractive employer brand

- Competitive pension and insurance schemes
- Actively supporting students with their master thesis

Diversity and inclusion

- Targets for a diverse organization
- Unconscious bias workshops
- Internship program targeting diversity
- SHE Index rating process



MEET THE TEAM



Dedicated Impact and ESG experts employed by Nordea



As per March 31, 2022

THOUGHT LEADING FORCE FOR IMPACT

Best practice on impact, inspiring others to follow

Goals

Strengthen our position as a progressive impact investment leader, with the competence and capacity to convert impact visions into practice in small and mid-sized companies, making real positive impact and return happen

Next step 2022

Explore the potential of impact and ESG monetization

Develop a 2.0 version of Trill Impact's "Impact Potential Rating Model" – based on the Impact Management Project

Uniquely designed for impact investing

Trill Impact strives to leverage and develop industry best practices for impact investing. In every situation, we have an impact intention. A continuous critical assignment for us is to develop efficient methods to deliver positive impact at scale. Trill Impact systematically aligns interests between the investors, portfolio companies, their customers, lenders, and the impact advisory team.

Impact experts with a 30-year heritage of sustainable investing

Trill Impact is supported by a dedicated team of impact professionals from Nordea Asset Management. The team helps Trill Impact assess, measure, and manage impact and ESG risks and opportunities throughout the investment and active ownership process. Nordea also advises on sustainability trends, sector research, possible reporting metrics, and regulatory changes that may affect existing and potential portfolio companies. Nordea has a longstanding commitment to responsible investment; they launched their first sector-screened fund over 30 years ago, and this history has now become part of Trill Impact's heritage.

Impact Partner – Voting Investment Advisory Committee member

Since its inception, Trill Impact has had an Impact Partner, assessing each potential investment from an impact acceleration perspective, considering each investment's combined financial and impact aspects. The Impact Partner guides the work of the dedicated Nordea Impact and ESG Analysis team to ensure seamless integration with Trill Impact in all aspects. The Impact Partner role is also essential to continuously develop Trill Impact's approach, build know-how and best practice within value creation through impact investment and active implementation.



THOUGHT LEADING FORCE FOR IMPACT



Operating Principles for Impact Management

BlueMark is a leading independent provider of impact verification services in the impact investing market. The verification by BlueMark was done for the Private Equity Fund.



Verified advanced impact management processes

Operating Principles for Impact Management is a framework for implementing impact management throughout the investment lifecycle. In February 2020, Trill Impact AB became a signatory of the principles with a commitment to disclose its practice annually and independently verify its processes regularly. In Q4 2021, BlueMark assessed and verified Trill Impact’s impact management system. The Verifier Statement declared strengths and areas for improvement. We are pleased that Trill Impact received the highest possible result, given that the Fund has not completed any exits yet. Trill Impact results outperformed the median result based on 30 verifications done by BlueMark. Trill Impact Microfinance’s manager Developing World Markets is a also signatory of the Principles and has completed a third-party verification.

SDG Impact Standards for PE

Trill Impact participated in the Implementation Working Group for the SDG Impact Standards for Private Equity Funds 2020-2021. The SDG Impact Standards are practices that the private equity industry can apply to help build a more sustainable, inclusive, and resilient world. The Standards provide a common language and best-practice guidance for integrating impact management into business and investment practices and decision-making, focusing on positive and negative effects on people and the planet.

| Operating principles for impact management | | Trill Impact | Overall median* |
|--|---|--------------|-----------------|
| Strategic intent | 1. Define strategic impact objective(s), consistent with the investment strategy | Advanced | Advanced |
| | 2. Manage strategic impact on a portfolio basis | Advanced | High |
| Origination & structuring | 3. Establish the Manager’s contribution to the achievement of impact | Advanced | High |
| | 4. Assess the expected impact of each investment, based on a systematic approach | Advanced | High |
| | 5. Assess, address, monitor, and manage potential negative impacts of each investment | Advanced | High |
| Portfolio management | 6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately | Advanced | High |
| Impact at exit | 7. Conduct exits considering the effect on sustained impact | High | Moderate |
| | 8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned | Advanced | Moderate |

- Advanced
- High
- Moderate
- Low

*The median result is based on 30 verifications done by BlueMark

THOUGHT LEADING FORCE FOR IMPACT

Impact and ESG focus areas and measures streamlined and discussed across stakeholders



Incentive structures promoting impact and ESG performance

As an impact investor, Trill Impact manages and measures accelerating impact performance along with social, environmental, and governance risks and opportunities. This perspective is seamlessly integrated with generating and measuring financial returns. Corporates and financial institutions have a long history of financial-related incentives and hurdles. Together with financing partners and portfolio companies, Trill Impact implements similar structures related to impact and ESG performance to ensure complete alignment in these matters.

Impact and ESG performance part of Trill Impact's structure

As an impact pioneer, Trill Impact implemented an impact and ESG linked carry model to demonstrate its ambition to deliver measurable positive impact outcomes. 10% of the Private Equity Fund's carry pool is linked to impact and ESG progress in the Fund's portfolio companies, of which 70% is related to impact performance and 30% to operational ESG improvements.

Portfolio company management remuneration

Trill Impact works with the management of a portfolio company, pre-investment, and during the onboarding process to fully align the incentive structure with the company's impact and ESG ambition, in addition to its financial goals. Typically, about 25% of the management team's annual variable pay is tied to achieving a set of impact and ESG targets.

ESG-linked financing on Fund level

The Trill Impact Private Equity Fund has a climate-linked fund-level revolving credit facility. The financing cost is reduced if portfolio companies meet their GHG emissions reduction targets according to the Paris Agreement.

Portfolio company impact-linked LBO financing

Trill Impact works with management and the financing institute to set one or two impact KPIs and related targets to tie the cost of the portfolio company's financing. These KPIs are discussed during the investment process and finalized during the onboarding. The portfolio company receives a discount on the margin when meeting the impact targets.



IMPACT INVESTING

We believe that investing in vigorous solutions for a sustainable planet, healthy people and secure society will be critical for the changes we need as well as create healthy business opportunities.

This section

- Key trends call for action
- Investment focus: Megatrends and societal needs
- Trill Impact's view of impact investing, impact and ESG

KEY TRENDS CALL FOR ACTION

A world that needs solutions

Major ecological and societal needs are creating an opportunity for private markets investments. More than 700 million people, or 10% of the world population, still live in extreme poverty, struggling to fulfil the most basic needs like health, education, and access to water and sanitation. More than 100 million youths worldwide lack basic literacy skills. Sea levels have risen about 20 cm since 1880. Those facts, amongst many others, show how our world needs solutions. To tackle this challenge, annual investments of USD 5-7 trillion are needed for society to deliver on the UN 2030 Agenda and the 17 SDGs. Investments in sustainable development and solutions are growing continuously. Public and private markets investors and corporations are more frequently allocating budgets and developing initiatives to deliver on the 17 SDGs, leading to a 'greener' financial system. Trill Impact sees all of these tailwinds as providing a significant opportunity to contribute to the global sustainability agenda by deploying capital to impact private market investments.

Call for a more sustainable society

Consumers are increasingly promoting a more sustainable lifestyle and committing to global sustainability. Consumer preferences for responsibly produced goods and services have long outgrown their niche status and have become more mainstream. Overall, 74% of people worldwide want to reduce their impact on the environment by a large amount. Especially Millennials and Gen Z'ers, being very influential stakeholders in the marketplace, are more progressive on social issues compared to preceding generations. Trill Impact's view is that today consumers in developed countries are actively seeking ways to promote sustainability through lifestyle decisions regarding diet, transport, recycling, water and energy consumption. Statistics confirm this view, stating that ~80%¹ of the population aims to live healthier and reduce food waste and energy consumption.

Regulatory decisions setting the course for positive impact

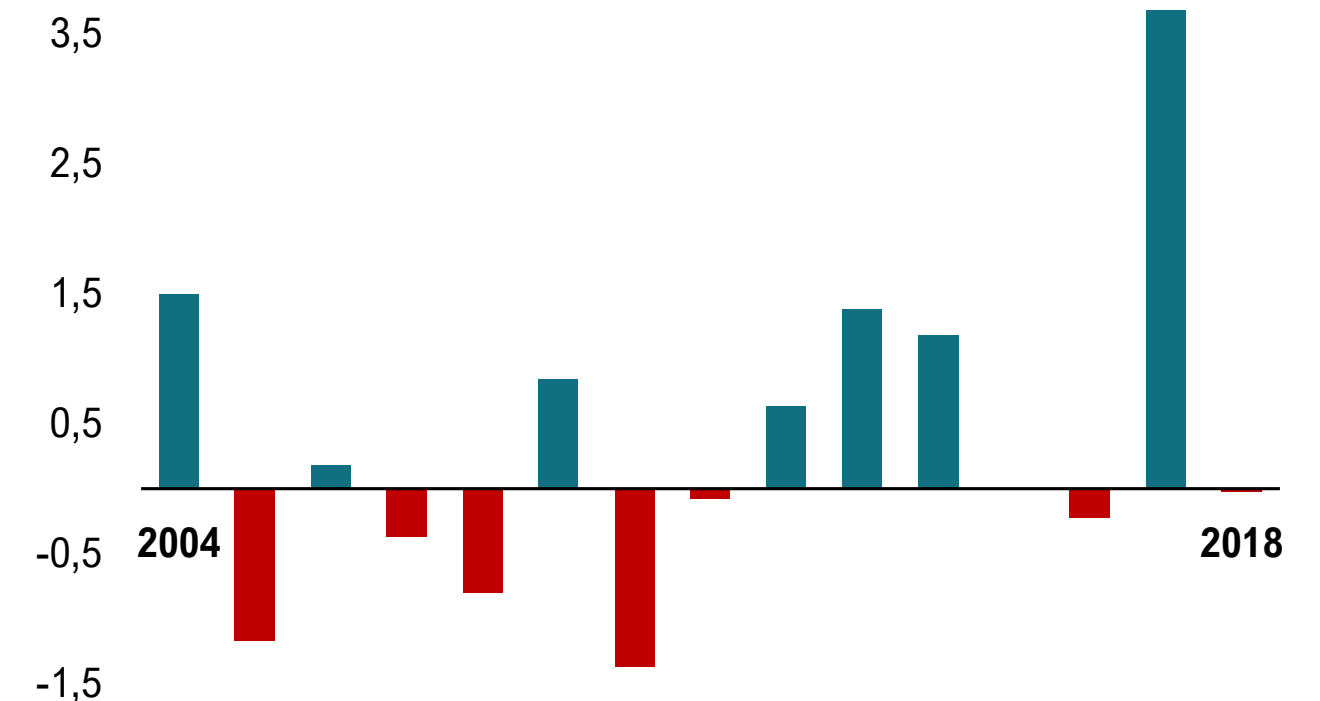
Global and regional EU climate change policies and green deals lay the groundwork for the action plan on the 2030 Agenda. Since September 2015, when world leaders adopted the SDGs, countries worldwide have mobilized efforts toward the SDGs by developing and implementing new rules and regulations, forming part of each government's action plan for the 2030 Agenda. In the EU, the European Green Deal was formulated in 2019 accompanied by the EU Taxonomy and Sustainable Finance Disclosure Regulation, defining an actionable roadmap to transform the European economy by moving to a clean, circular economy and stop climate change, revert biodiversity loss and cut pollution. This fundamentally impacts the way goods and services are produced given non-compliance risk.

Sustainability earns market returns

Morgan Stanley, GIIN, and other organizations have analyzed risk and returns of sustainable investment funds compared to traditional products. Across all studies, key findings prove that there is no financial tradeoff in the returns of sustainable products and no consistent or statistically significant difference in total returns. Furthermore, sustainable products offered lower market risk, e.g., Morgan Stanley findings, as reported in their 2019 white paper, revealed that sustainable funds experienced a 20% lower downside deviation than traditional funds.

Difference in median total returns of sustainable and traditional funds, 2004-2018

Percentage points



¹ From survey across 27 markets

Sources: un.org, Globescan, European Commission, EU Taxonomy, SFDR, GIIN, NYU, Morgan Stanley

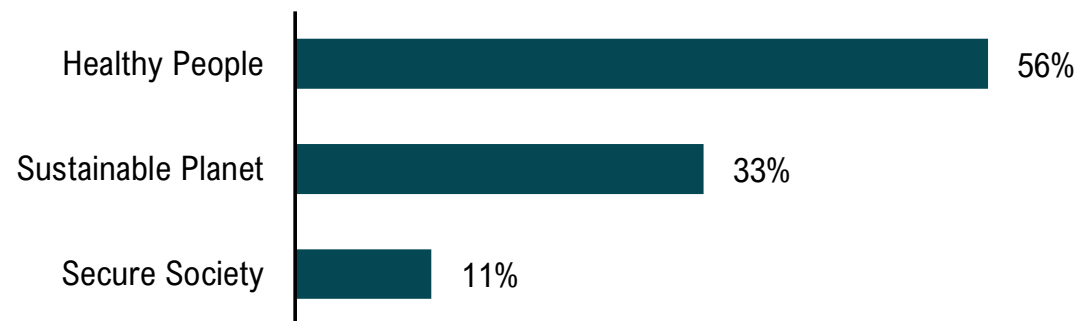
MEGATRENDS AND SOCIETAL NEEDS

The needs stated in the 17 SDGs tend to overlap with global megatrends, pointing out industries with strong commercial tailwinds.

Sustainable planet, Healthy people, and a Secure society are the overarching themes in Trill Impact’s investment strategy. These three themes address the need to fulfil the 17 SDGs.

We identify business opportunities that have the potential to address societal challenges in our target markets and beyond while generating market-rate returns.

Distribution of Trill Impact Private Equity investments by impact theme



| SUSTAINABLE PLANET | HEALTHY PEOPLE | SECURE SOCIETY |
|--|---|---|
| <ul style="list-style-type: none"> Clean & efficient energy Resource efficiency & circularity Sustainable food & ecosystems | <ul style="list-style-type: none"> Education Health & wellbeing Inclusion & equality | <ul style="list-style-type: none"> Resilient & sustainable communities Good governance & security |
| | | |
| | | |
| <p>Trill Impact Microfinance</p> | | |



SUSTAINABLE PLANET

1. Resource efficiency and circularity

Our increasing material consumption drives the demand and competition for scarce natural and critical resources. At the same time, global waste mass increases, of which a third is not managed in an environmentally safe manner. We are still landfilling more than we are recycling. Solutions promoting eco-design, waste prevention and reuse, recycling, and advanced materials, will be required.

Did you know...

Globally, domestic material consumption per capita (the total amount of materials directly used by an economy to meet its consumption needs) rose by more than 40% from 2000 to 2017.

(UN, 2018)

5 tonnes of waste is produced by an average European each year. Only 38% of waste in the EU is recycled. Over 60% of household waste still goes to landfill in some EU countries.

(EU 2022)

2. Clean and efficient energy

Currently, we still rely heavily on fossil fuels. Increasing energy efficiency and renewable energy production are needed to decouple economic growth from negative climate impacts. A strong focus will be required on decarbonizing sectors and industrial processes using sustainable technologies in order to meet climate targets.

Did you know...

Energy is the dominant contributor to climate change, accounting for around 60% of total global greenhouse gas emissions. Since 1990, global emissions of CO₂ have increased by more than 46%.

(UN, 2020)

We are behind to meet EU's 32% Renewable Energy Source target set for 2030.

Currently we are at 22%. An unprecedented transformation is necessary.

(EEA, 2021)

3. Sustainable food and ecosystems

Unsustainable production practices driven by increasing demand lead to water pollution, threaten human health, limit food production, reduce ecosystem functions, and hinder economic growth. Changing values, more sustainable lifestyles and new technologies will promote more sustainable agriculture, forestry and fisheries.

Did you know...

About 34% of global greenhouse gas emissions caused by humans are linked to food. Land-use change, agricultural production, packaging, fertilizer use and waste, all contribute to the emissions, estimated at 18 billion tonnes of CO₂ equivalent in 2015.

(UN, 2016)

Nearly 90% of the world's marine fish stocks are fully exploited, overexploited, or depleted. This is important because fish accounts for 17% of all animal protein consumed globally, a share even higher in the least developed countries. Also, estimated that 200 million jobs are directly or indirectly connected with the fisheries sector.

(UN, 2021)



HEALTHY PEOPLE

1. Health and wellbeing

While we have benefited from good progress in health and wellbeing, vulnerabilities to pandemics and other health related challenges still remain. The increasing burden of more lifestyle and age-related diseases and the pressure of an aging population on health systems will require investment in treatments and technologies for an inclusive, resilient and efficient health system.

Did you know...

The pace of population aging is much faster than in the past. Between 2015 and 2050, the proportion of the world's population over 60 years will nearly double from 12% to 22%.

(WHO, 2021)

In 2020, about 2.7 million people in the EU were diagnosed with cancer, and nearly 1.3 million died from it. Over 40% of cancer cases could be preventable.

(Eurostat, 2020)

2. Education

Many studies show widening gaps within the education system related to socio-economic factors, the changing nature of work and related technological, digital and even classic skills shortages. There is a need for people to be educated for longer and with new learning methods.

Did you know...

In 2020, about 584 million children globally experienced reading difficulties, about 100 million more than before Covid-19.

(UN, 2021)

There is a discrepancy between the skills sought by employers and the skills that are possessed by individuals which cost the world economy USD 8 trillion in unrealized GDP in 2018.

(BCG, 2020)

3. Inclusion and equality

We face increasing income inequalities where more inclusive solutions to prevent socio-economic segregation and promote equality will be needed. Economic empowerment and services in the form of financial and social inclusion will be instrumental in addressing the access and affordability gap across developed and developing markets.

Did you know...

The richest 10% of the global population currently take home 52% of the income. The poorest half of the global population earns just 8%.

(WEF, 2021)

1.7 billion adults remain unbanked. The term unbanked is used to describe people that do not use traditional banking services. They often lack pensions, insurance, saving accounts and other advanced financial products.

(Findex, 2020)



SECURE SOCIETY

1. Resilient and sustainable communities

The world is becoming increasingly urbanized resulting in overburdened infrastructure services, worsening air quality and need for sustainable mobility. Safe, sustainable and resilient infrastructure will call for smart solutions that address these challenges.

Did you know...

According to current investment trends, by 2040 there will be a USD 15 trillion deficit to provide adequate global infrastructure. (WEF, 2019)

Smart city technologies can improve key quality-of-life indicators by up to 30%, translating into lives saved, fewer crimes, reduced health burden and emissions averted. (McKinsey, 2018)

2. Good governance and security

Shifts in global governance are presenting a diverse range of global societal, technological and economic risks such as cybercrime, terrorism, financial crises, digital inequalities, human trafficking and natural resource crises. These risks make it increasingly important to protect critical societal services within transport, energy, water, health and finance, as well as establish secure, transparent and sustainable supply chains.

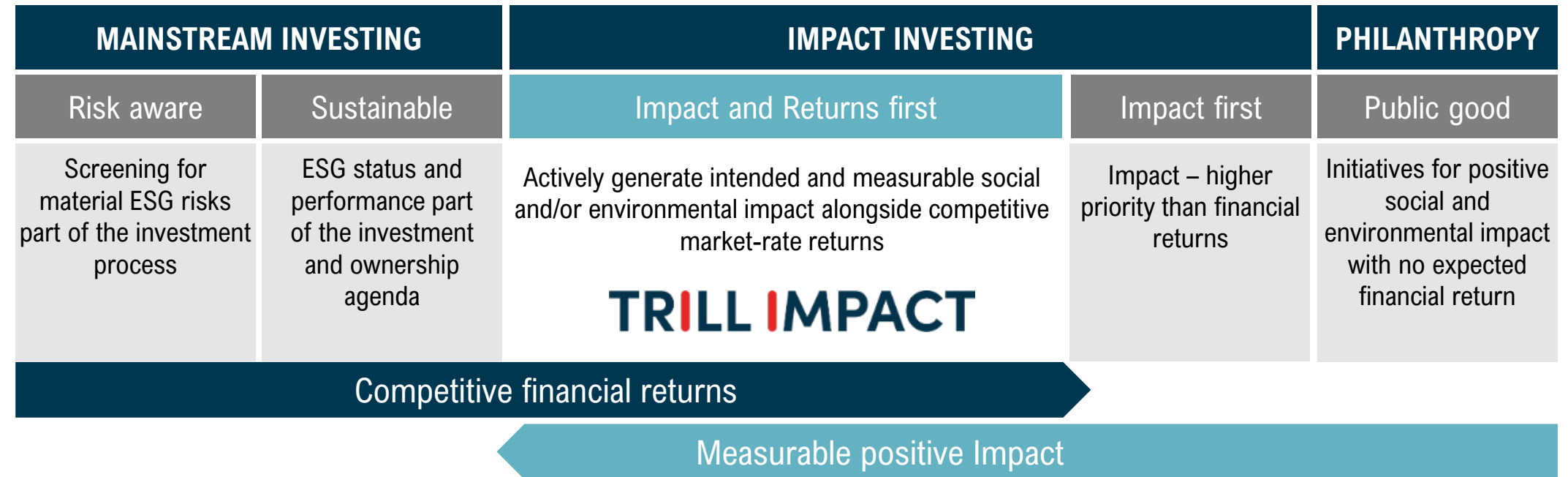
Did you know...

The WEF estimates the global cost of corruption is at least USD 2.6 trillion, or 5% of GDP. Furthermore, WEF claims businesses and individuals pay more than USD 1 trillion in bribes every year. (WEF, 2018)

Cyberattacks on critical infrastructure, rated the fifth top global risk in 2020, have become the new normal across sectors. (WEF, 2021)

TRILL IMPACT'S VIEW OF IMPACT INVESTING, IMPACT AND ESG

Trill Impact is targeting market-rate returns and positive impact in a way that every single investment should contribute to a better world and a better business.



What is ESG?

ESG (Environment, social, Governance) matters relates to how the company runs its operations in a responsible manner, focusing on environmental care, social responsibility and good governance and culture.

Trill Impact has a systematic approach to assess, address, monitor, and manage potential negative impacts of each investment. An ESG assessment is conducted for all investments during the initial screening and due diligence phase using regulatory guidance and industry frameworks.

What is impact?

Current and potential impact on people and planet. How, and to what degree, are the company's business, products and services contributing to societal needs, today and tomorrow. Trill Impact is targeting businesses that have the potential to deliver significant positive impact through their offering.

The impact outcome must be intentional, measurable, and related to prioritized issues for society and the planet, stated in the 17 Sustainable Development Goals and the related targets.



RESPONSIBLE OPERATIONS ESG

Responsible operations related to ESG - Environmental, Social and Governance - start with a company's values and beliefs.

Trill Impact - the House of Impact - upholds sustainable responsibilities to people and the planet and sets the stage for long-term success by incorporating the Ten Principles of the UN Global Compact into its strategies, policies, and procedures and establishing a culture of integrity.

This section

- What is it like to be a team member of Trill Impact
- ESG is important to our stakeholders
- Promoting ESG at home and through our strategies

WHAT IS IT LIKE TO BE A TEAM MEMBER OF TRILL IMPACT



Hannah Larby

Investment Manager

I wanted to be a part of something that could combine my deep passion for societal and environmental questions with my previous experience from fairly standard commercial due diligence, private equity and investment banking. When I met the initial team at Trill Impact, I knew from the first chat that this was something I needed to explore further, and the exciting discussions on important topics have continued and deepened a lot since then. It's exciting to be part of a team where everyone is committed to driving change.



Fuad Alam

Impact Intern, Nordea Asset Management 2021

The most valuable aspect that I take with me from Trill Impact is that finance can be a place of purpose and inclusion. As an intern in finance, you often feel like someone with less experience and knowledge. Still, at Trill Impact, I was treated as an equal with ideas and knowledge that could shine a different perspective on topics and was valuable. I felt like one of the team, and I appreciated that. I was motivated to do my utmost to contribute to the mission and contribute to the team.



Meenakshi Ambardar

General Counsel

I am part of an organization where I feel that we contribute to the common good. I am proud that Trill Impact aims to help society at large and that our actions count. Being part of a diverse, curious, and dynamic group is something else that I value. It is stimulating to be part of a team with various backgrounds, professional experiences, and thoughts. We are all engaged in our work and make ourselves heard, resulting in innovation. I am excited about the next phase in our development and continued team collaboration.



Kristian Klosterkemper

Partner

Being a member of the extraordinary Trill Impact team gives you the feeling of contributing to something bigger than oneself. We are a team that shares the same values and convictions and is willing to work hard for them. Using our skills to create lasting impact, support each other to grow personally, and assist Trill Impact's portfolio companies motivates us every day.

ESG IS IMPORTANT TO OUR STAKEHOLDERS

Maintaining a close dialogue with our key stakeholder groups is central to Trill Impact's impact and sustainability progress. The key stakeholder groups have been identified based on their ability to impact or be impacted by Trill Impact's activities.

Trill Impact's most significant sustainability issues have been identified and prioritized via ongoing dialogue, meetings, and interviews with employees and external stakeholders. See key sustainability issues listed below. Trill Impact's ambition is to manage a continuous dialogue with key stakeholders regarding prioritized crucial sustainability-related matters.

Our ambition is to monitor these matters in a business context related to relevant megatrends and drivers.



Environmental

Climate action
Resource efficiency



Social

Attracting and retaining talent
Diversity, equality and inclusion



Governance

Highest ethical standards
Good governance
Transparent communication

Stakeholders

Active engagement channels

Investors

- Investor meetings
- Annual investor meeting
- LPAC

Portfolio companies

- Meetings with management
- Board meetings
- Impact workshops

Employees

- eNPS
- 360 evaluations
- Professional development dialogues
- Regular feedback within teams

Partners and advisors

- Investment banks
- Industrial advisors
- Impact advisors

Impact investing industry

- Nordic PE forum
- Global Impact Investing Network
- Swedish National Advisory Board for Impact Investing
- Operating Principles for impact Management

PROMOTING ESG AT HOME AND THROUGH OUR STRATEGIES

Trill Impact expects each portfolio company and Microfinance institution to operate in ways that meet fundamental responsibilities in the areas of human rights, labor, environment, and business ethics.



Social responsibility

Diversity, equality and inclusion

We believe a diverse and respectful culture brings positive impact and profit. Trill Impact promotes a fair and inclusive culture, and we are expecting the same from our business partners.

- ✓ Supporting each portfolio company to sign the SHE Index (powered by EY) and track progress annually

Environmental care

Climate action

Trill Impact is committed to reduce GHG emissions across the portfolio companies by 50% by 2030, aiming for net-zero by 2050.

Financial benefits: resource efficiency and interest rate rebate on Trill Impact's credit facility.

- ✓ Trill Impact has a climate-linked fund-level revolving credit facility. The financing cost is reduced if the portfolio companies meet their GHG emissions reduction targets according to the Paris Agreement



Good governance and culture

Highest ethical standards

We are responsible by supporting sustainable economic growth and we earn the trust of stakeholders through the high ethical standards.

- ✓ Employees should sign the Code of Conduct, adhere to it and confirm in an annual survey, or similar

ENVIRONMENTAL CARE



Reducing our environmental footprint

Trill Impact considers applicable environmental laws and regulations and strives to become a forerunner in our environmental work. Our most significant environmental impact is through minimizing energy and resource consumption, and we are committed to continual improvement in this respect.

Climate action

Cutting CO₂ emissions from operations and transportation is a critical priority to help reduce the threat of the planet's imminent climate crisis. Trill Impact is committed to reducing GHG emissions in its portfolio companies, using the methodology of the Science-Based Targets Initiative, cutting emissions in half by 2030 and aiming for net-zero by 2050. Management incentives for both Trill Impact and portfolio companies are linked to an ambitious reduction of GHG emissions, as well as the Fund's credit facility.

Resource efficiency

Recycling, circularity, secondary materials, environmental compatibility – how each company uses its resources is crucial to an effective growth strategy. Regardless of sector, organizations are increasingly incorporating measures to reduce both their own and their customers' footprint, which consequently creates a precondition for building a sustainable, long-term business. Measuring is key to improving, therefore we support our portfolio companies to set ambitious targets and monitor their progress.

Actions at Trill Impact

- ✓ Office space rented from one of the most sustainable landlords in the world (according to GRESB)
- ✓ IT service provider using the world's first climate positive data center
- ✓ Regular training for all employees
- ✓ Waste separation, recycling, and energy-efficient behavior standard in our advisory offices
- ✓ Sustainable business travel with CO₂ emissions offsetting plan in place

SOCIAL RESPONSIBILITY



Social commitment to developing our impact culture

Trill Impact aims for a culture characterized by trust, freedom, and performance. We recognize diversity and equality as a strength, and our goal is a well-balanced representation of gender and diverse experiences. Every employee and business associate should feel valued and respected, regardless of race, gender, marital/civil partnership status, age, disability, religion or belief, color, national origin, or sexual orientation. We recognize and value the unique capabilities, experiences, and characteristics that each employee contributes to our culture.

Diversity, equality and inclusion

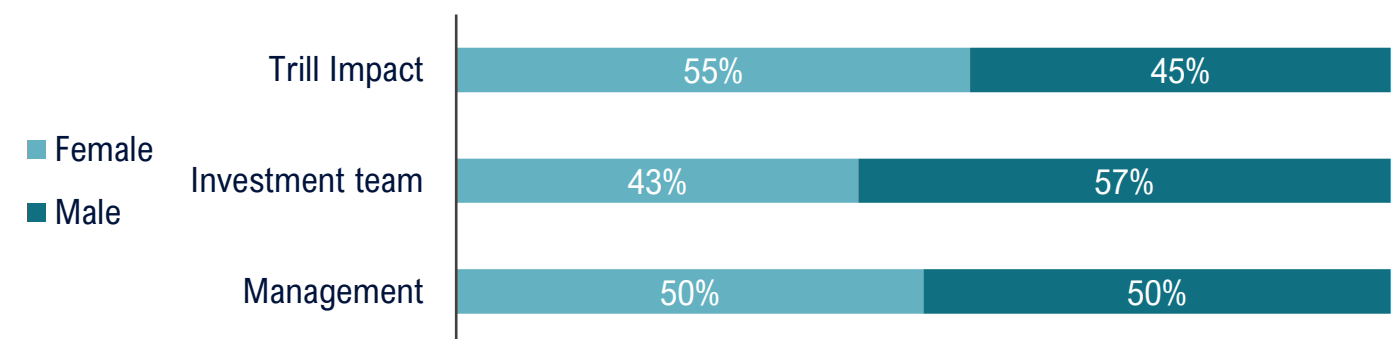
We believe each organization should reflect the world around us. We promote an inclusive culture and fair policies in our team building and recruitment plans. This attention to diversity and inclusion also applies to our interactions with portfolio companies, investors, partners, and broader stakeholders. Our mission is to extend our values to our portfolio companies which we encourage to sign up for the SHE Index and track progress annually. Management incentives for both Trill Impact and the Fund's portfolio companies are linked to progress in diversity.

Attracting and retaining talents

Each company's success depends on its ability to attract and retain the best talents. It means cultivating a healthy culture and investing in a strong workforce is essential in building the next generation's impact leaders. Continually upskilling and reskilling is senior management's most vital task. Trill Impact promotes employee engagement surveys, training KPIs and targets in each portfolio company.

KPIs at Trill Impact

- ✓ 9 different nationalities, 11 nationalities including dedicated Impact and ESG experts from Nordea Asset Management
- ✓ eNPS score: 65
- ✓ SHE Index: 95 (of 100)
- ✓ Gender diversity at Trill Impact:



GOOD GOVERNANCE AND CULTURE



Governance practices to manage our operations

Trill Impact should serve as a role model for its portfolio companies and other stakeholders. We have adopted written policies and procedures which consider applicable laws and industry best practices. The policies apply to all employees throughout Trill Impact subsidiaries, including designated consultants. The purpose of the policies and procedures is to provide our employees with an awareness of the requirements of applicable law, rules, and regulations governing the firm's activities and provide rules and guidance for our operations. We operate in a flat organization and promote a culture characterized by openness and transparency where team members feel secure to point out both opportunities and challenges.

Highest ethical standards

Trill Impact and its portfolio companies are responsible for instituting policies that shape economic growth sustainably and earn stakeholders' trust. This includes measures such as transparent business conduct, data privacy, and a commitment to human rights such as fighting corruption and fraud. Trill Impact supports all portfolio companies in implementing a robust Code of Conduct (CoC) along with a whistle-blower system. Our ambition is that all employees should sign the CoC, adhere to it and confirm this in an annual survey, or similar. Financial incentives for both Trill Impact and portfolio companies are linked to this progress.

Good governance and transparent communication

Each company's sustainability efforts depend on strong governance and leadership that support effective, transparent, and responsible business conduct, both internally and with chosen partners and suppliers.

We promote high ethical standards at the company level, across Trill Impact's portfolio companies and our various stakeholders. We urge our portfolio companies to sign a CoC with their critical suppliers to support human rights, prohibit forced labor, promote workers' health and wellbeing, and ensure healthy business ethics.

Actions at Trill Impact

- ✓ Robust compliance program approved by external board members
- ✓ Well defined internal approval processes
- ✓ Regular compliance and legal training
- ✓ Workshops on anti-bribery and corruption
- ✓ Comprehensive and ongoing cybersecurity training



IMPACT PRIVATE EQUITY

Trill Impact targets mid-sized companies in Northern Europe with strong impact management and value creation potential. Every investment should contribute to a better world while generating market-rate returns. Until the end of 2021, Trill Impact has made four investments.

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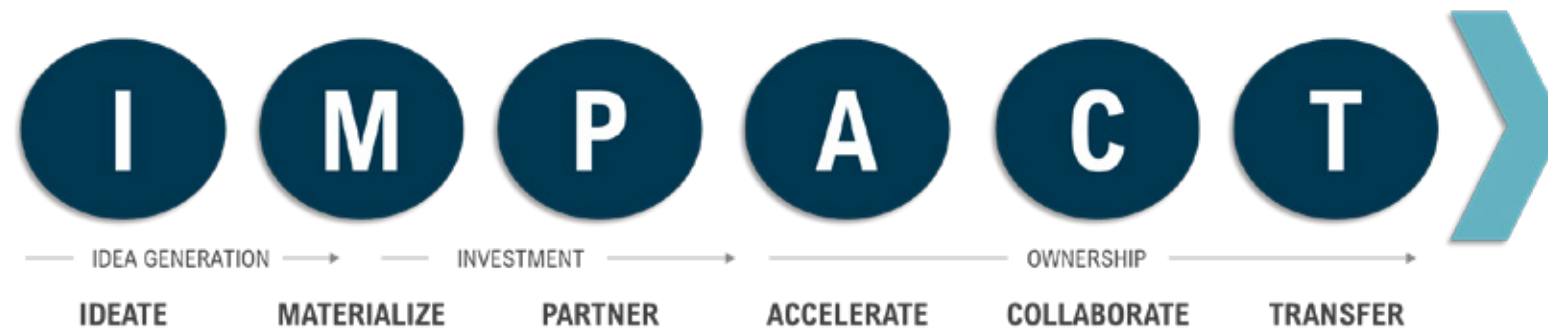
- What it is like to be a portfolio company of the Trill Impact Private Equity Fund
- Nordomatic case study
- Trill Impact portfolio companies

IMPACT CULTURE THROUGHOUT INVESTMENT AND OWNERSHIP

Trill Impact combines industry best practices with a unique impact culture and toolbox aimed to help each company reach its full impact and value creation potential.

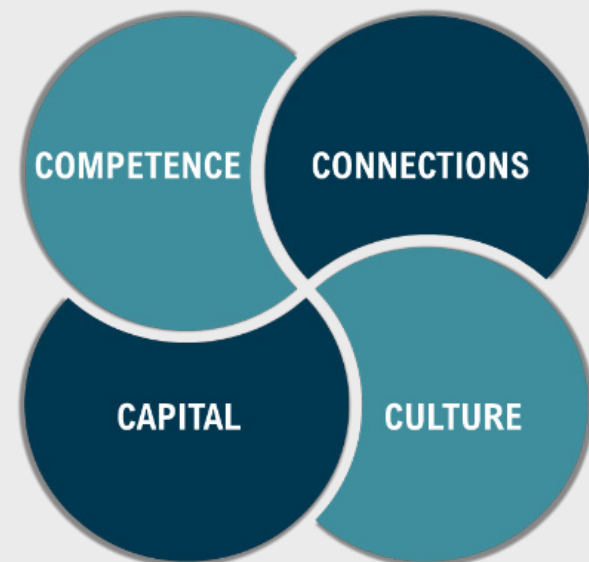
IMPACT is our approach

We follow a step-by-step approach from sourcing to exit, with a clear governance model during the ownership phase. We start with an acceleration phase, usually 6-12 months, with intense activities and planning, followed by years of productive collaboration.



What we bring to the table

To accelerate impact and value creation we combine the competitive advantage of each business with Trill Impact’s access to relevant competence, connections, capital, and our recognized impact culture – heart and mind combined.



Accelerate returns with impact

Trill Impact’s toolbox for supporting businesses to build Value Creation Impact Plans is based on experience from 200+ companies. It includes best practices, proven providers, and tools tailored to each situation. We bring impact and ESG expertise to build impact leaders, businesses and people.



WHAT IS IT LIKE TO BE A TRILL IMPACT PORTFOLIO COMPANY?

Meet executives and board members from the Fund's portfolio companies



Olov Schagerlund

CEO of Nordomatic

Nordomatic is contributing to a sustainable planet in a very tangible way – the more business we do, the more CO₂ emissions are avoided by our customers. Growing and developing our company is therefore critical. To succeed and deliver on our full potential, we have developed a strategy we call “European Impact Leader 2025”. Trill Impact provides us with valuable insights and pushes for positive change.



Eola Änggård Runsten

Board member of ILT Education

I appreciate that Trill Impact is an impact fund, exclusively investing in companies that contribute to a better society. ILT Education qualifies well into the category – focusing on audio and visual-assisted learning solutions for students with dyslexia, other cognitive needs, and multilingual backgrounds. ILT Education's solutions addressed about 3.7 million learning needs of students and children in 2021.



Frida Westerberg

CEO of European ID Security

Cybercrime is one of the biggest threats to society today. Our mission is to enable a safe digital world and we have embarked on a growth journey with the vision to become the preferred partner of cybersecurity services in Europe. Trill Impact is a great owner on that journey with a constructive and collaborative approach. They provide valuable support in a wide range of areas such as M&A, strategy and branding as well as deep insights into impact and ESG.



Tobias Schäfer

Chief Innovation Officer and Founder of Mesalvo

At Mesalvo, a combination of Meona and i-SOLUTIONS, we drive the digitalization of healthcare providers and improve treatment quality, patient safety and access to care. Trill Impact enabled the integration of the two companies to create a leading healthcare software company that further drives the modernization of a digitally underserved healthcare system. We highly value this partnership and the support to achieve our vision. Innovation for better treatment quality is at the core of Mesalvo where we also join forces with university hospitals and public initiatives, for example, working on products that target KI-based reflective nursing decisions and the like.

TRILL IMPACT'S SEAMLESS PROCESS FOR IMPACT AND VALUE CREATION



IDEA GENERATION →

INVESTMENT →

OWNERSHIP →

IDEATE

Identify and assess a target company's potential to address societal challenges, guided by the SDGs, with the aim to grow and develop its business.

MATERIALIZE

Perform an in-depth analysis of a target company's potential for value creation, impact and ESG performance. Analyze how we can support growth, returns, and impact, seeking to ensure the company reaches its full potential.

PARTNER

Partner with management to develop and agree on an indicative Value Creation Impact Plan which includes preliminary KPIs for impact and ESG objectives.

ACCELERATE

Support management in finalizing the Value Creation Impact Plan. Impact and ESG targets in the plan are linked to management's and Trill Impact's incentives, typically also tied to discounted financing interest rates.

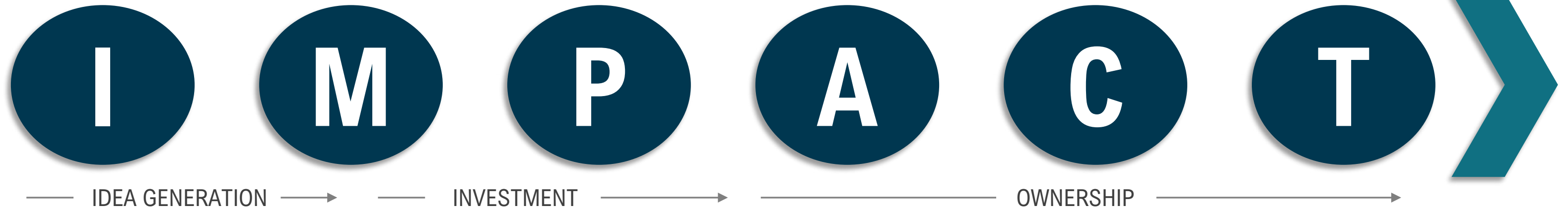
COLLABORATE

Collaborative approach throughout the ownership phase providing support, tools, and expertise to accelerate, measure, and communicate impact and value creation.

TRANSFER

Upon exit, consider how the impact mission can be further developed with new ownership. Assess and analyze the impact generated against the targets.

CASE EXAMPLE



IDEATE

Nordomatic identified as an attractive investment, benefiting from market growth and regulatory trends, evidenced by increased demand from property owners and tenants for improved energy efficiency and indoor climate and stricter reporting requirements. Recognized distinct operational value creating areas, including strengthening of the service business. With several proprietary inroads, Trill Impact was well informed about the company and the sector. Trill Impact analyzed and concluded that Nordomatic's products and services directly contribute to the following SDG targets and goals: #7.3 #9.4 #13.3

MATERIALIZE

To gain deeper knowledge into all commercial, operational, and financial aspects of Nordomatic a due diligence process was conducted, including an in-depth analysis of Nordomatic's current and potential contribution to the SDGs in an EU context. In line with our standard approach, the analysis was based on the Impact Management Project's (IMP) five dimensions of impact. The assessment concluded how Trill Impact could support Nordomatic to achieve its full impact potential as part of its value creation plan. Industrial advisors and Trill Impact's dedicated impact experts supported the process.

PARTNER

For Trill Impact, it's critical that the Fund and the portfolio company's interests are aligned. Several collaborative workshops were conducted before signing to discuss how management's expertise and company culture, combined with Trill Impact's approach, can accelerate Nordomatic's value creating plan to become the industry impact leader. Key actions and related impact and ESG KPIs were agreed. The KPIs were designed to demonstrate impact and benefit Nordomatic's stakeholders, including customers and employees. The intention was to ensure focus, progress, and quick wins in the implementation phase.

ACCELERATE

Post-closing, a clear governance structure and a strong board were composed to support management on their journey. Nordomatic finalized the Value Creating Impact Plan, including annual and long-term targets with related actions. The targets were integrated into Nordomatic's as well as Trill Impact's incentive programs. Successful impact performance was also linked to financing interest rebates.

The Acceleration phase was very interactive to build a strong relationship with management, get to know the customers, the wider team, and other key stakeholders in our ambition to bring out the best of the organization.

COLLABORATE

We are now on our joint journey. Trill Impact has a collaborative approach, providing support, tools, and expertise to accelerate impact and value creation, even supporting the dialogue with Nordomatic's customers when valuable from Nordomatic's point of view. We believe measuring financial and impact progress is critical for continuous improvement and success. Impact and ESG performance are reported quarterly and discussed frequently in the Board, as it is the core of the business and operational excellence. Any deviations from targets are identified early and are acted on. For the most recent external update on Nordomatic's impact journey, see their Sustainability report.

TRANSFER






When the time has come to part ways with Nordomatic, we will together with management, consider how the impact mission can be further developed and anchored in a new ownership setting, as Trill Impact's ambition is to create lasting positive impact.

The total actual impact generated will be assessed against the plan and targets with any deviations evaluated and learned from.

UNDERSTANDING HOW TO SYSTEMATICALLY ASSESS AND MEASURE IMPACT

Trill Impact undertakes an impact due diligence before investing. The assessment is conducted following the Impact Management Project framework (IMP), integrated with Trill Impact's propriety rating model – assessing current and potential impact throughout the ownership.

IMP's five dimensions of impact are defined and assessed to build understanding around the positive outcome each potential investment creates. The five dimensions seek to answer the key questions shown in the table below. As a result of this analysis, each investment is categorized according to the IMP's impact classifications; Benefit stakeholders or Contribute to solutions.

| EFFECT | | SIZE | LIKELIHOOD | |
|--|--|--|--|---|
|  What |  Who |  How much |  Contribution |  Risks |
| <ul style="list-style-type: none"> • What outcome (+/-) is the business contributing to related to the SDGs? • How important is it to the stakeholders experiencing the outcome? | <ul style="list-style-type: none"> • Who experiences the impact? • How underserved is the targeted people / environment? | <ul style="list-style-type: none"> • How many stakeholders experienced the outcome, what degree of change do they experience and how long do they experience the outcome? | <ul style="list-style-type: none"> • What is the company's contribution to what would likely happen anyway? • What strategies will Trill Impact use to contribute? | <ul style="list-style-type: none"> • What are the risks that the company and Trill Impact will face related to impact? • What is the risk that impact does not occur as expected? |

TRILL IMPACT PORTFOLIO COMPANIES 2021

| | | Onboarding in progress | | | |
|----------------|------------------------|-----------------------------------|--------------------------------|--|------------------------------------|
| | | Nordomatic | Mesalvo | ILT Education | European ID Security |
| General | Date of acquisition | August 2020 | June /July 2021 | July 2021 | October 2021 |
| | Sector | Business Services | Digital Healthcare | Educational Technology | Cybersecurity |
| | Geography | Nordics | DACH | Europe | Sweden |
| | Revenue | SEK 1,021m (PF adj.) | EUR 44m | SEK 163m | SEK 132m |
| | FTEs | 515 | 364 | 60 | 73 |
| Impact | Dominant impact theme | Clean and efficient energy | Health and wellbeing | Education | Good governance and security |
| | IMP Classification | Contributes to solutions | Benefits stakeholders | Contributes to solutions | Contributes to solutions |
| | Primary KPI | CO ₂ avoided 2021: 83k | Patients reached (in progress) | Learning needs addressed: 3.9m children and students | Identities protected (in progress) |
| ESG | % female Board | 20% | In progress | 25% | In progress |
| | % female Mgmt. | 0% | 0% | 25% | 67% |
| | SHE index | 33 | In progress | In progress | In progress |
| | CoC implemented | Yes | Yes | Yes | Yes |
| | Whistle-blower system | Yes | Yes | Yes | In progress |
| | Data protection policy | Yes | Yes | Yes | In progress |



Leader in smart buildings

At a glance

Nordomatic is a leading independent partner for property owners in building automation, focusing on “smart buildings” and energy efficiency with a presence in the Nordic region. Nordomatic offers full life-cycle capabilities for its customers – from new project integrations, retrofits, and upgrades to aftermarket service and support. Their Building Management Systems (“BMS”) solutions can integrate and manage a building’s heating, cooling, lighting, access control and security, and fire control. With its market-leading solutions, Nordomatic enables building owners to achieve energy and cost reductions of up to 40% and supports society in meeting EU climate and energy goals.

| | | |
|---|----------------------|----------------------------|
|  | Impact theme | Clean and Efficient Energy |
|  | Sector | Business Services |
|  | Location | HQ in Sweden |
|  | Year acquired | 2020 |
|  | Revenues | SEK 1,021m |
|  | FTEs | 515 |



Value creation with impact

Trill Impact sees significant potential in growing Nordomatic's service business through further investments and rolling out its proptech solutions and making acquisitions across the Nordic region and potentially in continental Europe and the UK. The company operates in an industry benefiting from several positive structural trends such as increased demand from property owners and tenants for improved energy efficiency and indoor climate as well as increasingly stricter reporting requirements for property owners.

SDG contribution



SDG #7.3

By 2030, double the global rate of improvement in energy efficiency.



SDG #9.4

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.



SDG #13

Take urgent action to combat climate change and its impacts.

Agenda for impact and operational ESG excellence

Open Innovation within Smart Buildings

- Reduce energy consumption for property owners
- Innovative smart building solutions to provide best in class comfort for users
- Efficient resource management of customers' buildings

Practicing responsibility throughout the value chain

- Reduce Nordomatic's own carbon footprint
- Business ethics
- Human rights and material sourcing
- Customer privacy and security

Be the most attractive employer

- Development and training of the employees
- Improve gender diversity
- Diversity and inclusion
- Employee health and safety

Supporting building owners and users to meet EU climate and energy goals. Enabling energy and cost reductions of up to

40%



HIGHLIGHTS

Highlights 2020/21

Nordomatic is a leading independent partner for property owners in building automation, focusing on “smart buildings” and energy efficiency with a presence in the Nordic region. Nordomatic offers full life-cycle capabilities for its customers – from new project integrations, retrofits, and upgrades to aftermarket service and support. Their Building Management Systems (“BMS”) solutions can integrate and manage a building’s heating, cooling, lighting, access control and security, and fire control. With its market-leading solutions, Nordomatic enables building owners to achieve energy and cost reductions of up to 40% and supports society in meeting EU climate and energy goals.

Reduce energy consumption for property owners

Nordomatic’s core business actively mitigates climate change through energy-saving solutions and related services, enabling customers to do their part in achieving the goals of the Paris Agreement. Nordomatic has set the ambition to more than double the energy savings and CO₂ avoided by its customers by 2025 compared to the baseline of 2020. Reduced energy consumption is measured on a quarterly basis. By 2021, CO₂ emissions avoided by customers summed up to 83k tonnes, which was an increase of 19%.

Climate change reporting pilot

Nordomatic together with Trill Impact demonstrated leadership in climate change disclosure practices by participating in CDP’s Private Market’s Pilot Program, backed by investors representing USD 2.3 trillion in AUM. The program requested the disclosure of environmental data from 1,000 privately held companies. The pilot aimed to create a streamlined disclosure process for small and medium-sized companies regarding environmental data. Trill Impact was the only Nordic PE firm in the pilot.



Innovative Smart building solutions, providing end user comfort and wellness

More advanced and connected BMS solutions will give customers a better and more effective property management. This reduces the consumption of energy and other resources and improves the indoor climate for tenants and end users. Nordomatic’s offering includes such additional Smart applications that make buildings healthier. The company has set the ambition to triple the increase in the number of connected assets, a commonly used industry KPI. During 2021 the number of Smart connected assets grew by 28%.

Efficient resource management of buildings by its customers

Nordomatic’s solutions provide an efficient overview and control of a property or a portfolio of properties. Efficient monitoring and continuous improvements of how to manage the technical sub-systems allow for the property owner to minimize waste of time and resources.

| Key focus areas | Targets and efforts | KPI target | 2020 | 2021 | Target 2025 |
|--|---|--|------|------|-------------|
| Open innovation within Smart buildings | <ul style="list-style-type: none"> Reduce energy consumption for property owners Innovate Smart buildings | CO ₂ emissions avoided by customers (tonnes) | 70k | 83k | 150k |
| | | Smart connected assets | 314k | 402k | 530k |
| Practicing responsibility throughout the value chain | <ul style="list-style-type: none"> Reduce own CO₂ emissions Business ethics | CO ₂ reduction (tonnes) in line with the goals of the Paris Agreement | 611 | 523 | 535 |
| | | Code Of Conduct signed | NA | 100% | 100% |
| Be the most attractive employer | <ul style="list-style-type: none"> Development and training of employees Increase % of women Diversity and inclusion Employee health and safety | eNPS | NA | 48 | 45 |
| | | SHE Index score | 10 | 33 | >50 |

NORDOMATIC - IMPACT ASSESSMENT AND POTENTIAL

| EFFECT | | SIZE | LIKELIHOOD | |
|--|--|---|--|---|
| What | Who | How much | Contribution | Risks |
| <p>All of Nordomatic's revenues are generated from products and services relating to Building Management Systems (BMS), which are recognized by the EU Taxonomy for Sustainable Activities as providing a significant contribution to mitigating climate change.</p> <p>As buildings represent 40% of the energy use and 36% of GHG emissions in the EU, the impact is deemed important.</p> | <p>The planet ultimately benefits from reduced energy consumption resulting in lower GHG emissions. Recent increases in energy consumption have pushed the EU off track to meet its 2030 energy efficiency and effort sharing emissions targets. Property owners benefit directly from the increased energy efficiency of their property portfolios, as 75% of the EU building stock is inefficient.</p> | <p>Scale: In 2021 Nordomatic helped customers avoid CO₂ emissions at scale, totaling 83k tonnes of avoided CO₂ emissions, through their products and services. We believe that Nordomatic can scale the footprint of energy savings and avoid CO₂ emissions of property portfolios beyond the Nordics, across Europe.</p> <p>Depth: The European technical standard for BMS evidenced an average 20% increase in the energy efficiency of buildings.</p> <p>Duration: The average BMS lasts for about 15 years.</p> | <p>The European technical standards for BMS evidenced that Nordomatic's high energy performance BMS software could achieve an even greater depth of energy savings than both advanced and standard BMS solutions. This was also evidenced through case studies. During the investment phase, Trill Impact identified three key areas of action to achieve full impact potential:</p> <ul style="list-style-type: none"> • Make a substantial contribution to more energy-efficient buildings • Scale smart solutions for healthier and more productive buildings • Support the EU's transition towards green jobs | <p>Evidence risk: use of assumptions in calculating depth of impact.</p> <p>Efficiency risk: availability of cheaper alternatives.</p> <p>External risk: cyber attacks on connected, smart buildings</p> <p>Where possible, the above impact risks are mitigated in the Value Creation Impact Plan alongside ESG risks and opportunities.</p> |

40%

buildings represent 40% of the energy use in the EU

75%

of the EU building stock is inefficient

83k t

avoided emissions by Nordomatic's customers

~40%

Energy and cost reduction from Nordomatic's systems

IMPACT
MANAGEMENT
PROJECT

Contribute to solutions




Improving quality and efficiency of care

At a glance

Trill Impact facilitated a strategic merger of Meona and i-SOLUTIONS to establish a leading software player to drive the digitalization of healthcare providers and improve treatment quality, patient safety, and access to care. Meona is a market-leading clinical software provider for medical documentation, workflow, and patient management. Meona offers a comprehensive clinical software suite that covers the entire patient journey. Product modules predominantly support medication management, nursing documentation, and emergency room workflows. i-SOLUTIONS is a specialized German company offering workflow and patient management software for small- to mid-sized hospitals, digital imaging facilities, and laboratories with tailor-made requirements.

 **Impact theme** Health and Wellbeing

 **Sector** Digital Healthcare

 **Location** HQ in Germany

 **Year acquired** 2021

 **Revenues** EUR 44m

 **FTEs** 364



Value creation with impact

The combined group's offering will help modernize a digitally underserved healthcare system in continental Europe, improve patient safety and quality of care, and contribute to a resilient and resource-efficient healthcare infrastructure for a digital future. Meona's digital solutions focus on improving the medical infrastructure of hospitals in continental Europe. At the same time, i-SOLUTIONS, reputed for its holistic approach, will provide specialized, highly reliable, and customized software, including workflow and patient management software solutions, for hospitals, radiology practices, and laboratories.

SDG contribution



SDG #3.4

By 2030 reduce by one-third pre-mature mortality from non-communicable diseases through prevention and treatment, and promote mental health and wellbeing.



SDG #9.1

Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.

Agenda for impact and operational ESG excellence

- Lay foundation for joint organic growth leveraging cross-selling opportunities and tailwinds of the Hospital Future Act
- Further drive international expansion, especially with clinical software products
- Pursue M&A in a fragmented market
- Enhance technological capabilities for extended offering
- Drive operational excellence to strengthen implementation, integrate R&D roadmaps, etc

Digital health needed to enable continuity and quality of care, improved patient safety, and more time for patients. Germany ranks

16/17

OECD countries on digital health

MESALVO HIGHLIGHTS

Highlights 2021

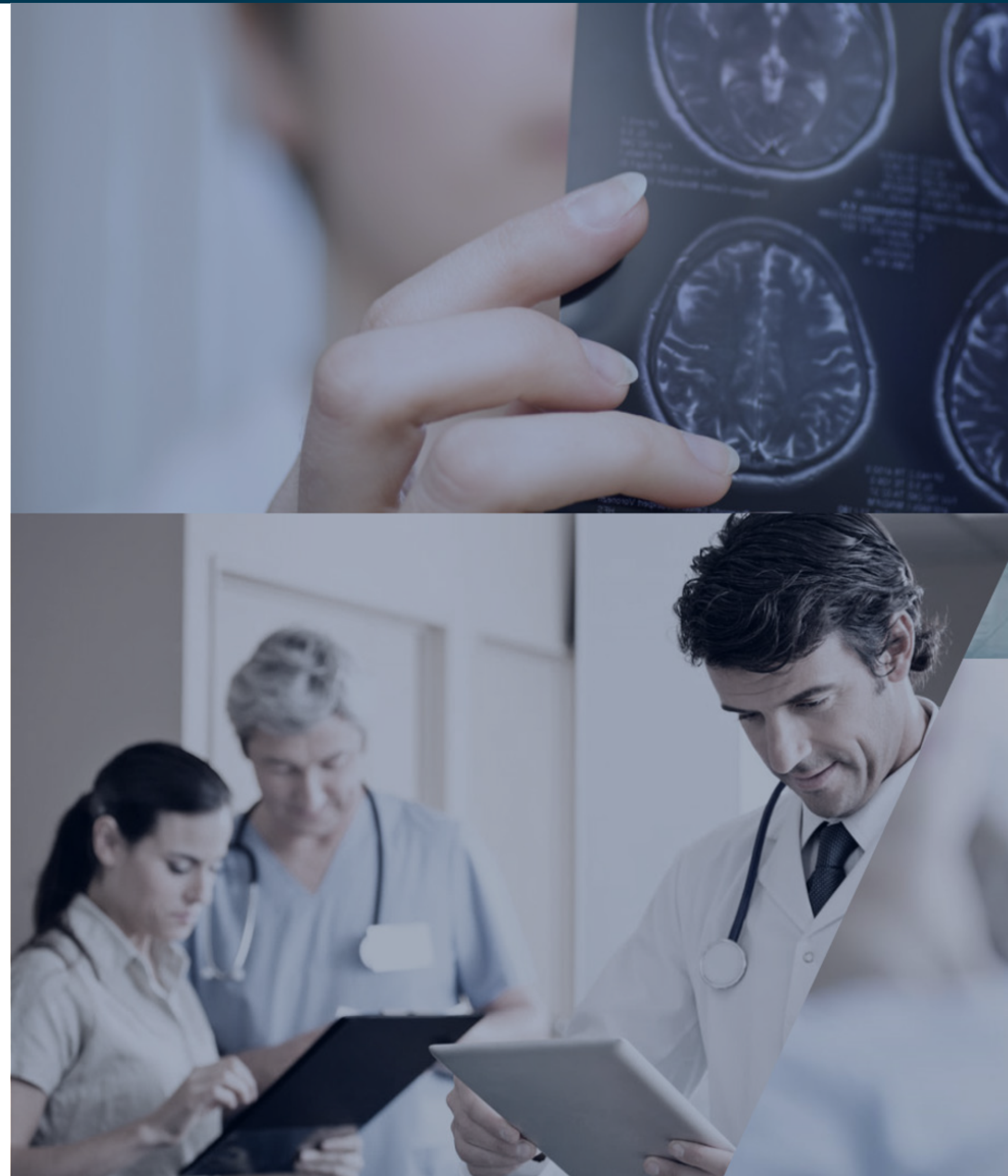
During autumn 2021, Trill Impact initiated the onboarding process, including the integration and transformation plan for Meona and i-SOLUTIONS to form the new Mesalvo Group.

Strong focus on go-to-market and sales based on both companies' existing products to benefit from KHZG¹ funding allocation: delay in KHZG funding deployment visible across all market participants. Strong demand was visible in order intake. Customers ask for integrated solutions, a core strength of Mesalvo's USP. Developing an integrated product portfolio approach will be a crucial deliverable for 2022.

Initial impact KPIs related to customer success were established and agreed with a baseline expected to be set by Q2 2022.

Mesalvo successfully entered Austria by winning a sizable tender showing their clinical strength beyond peer products. A significant ramp-up in personnel resources to deliver on customer demand is required and will be a continuous challenge in a competitive market for talent. Internally, significant efforts have been ongoing to focus the management team and leverage the strengths of both organizations through integrated processes, functions, reporting, cultural and organization building initiatives. In addition, significant structural efforts are being deployed to build an organization that can capitalize on order intake and is fully scalable. A strategic transformation team is coordinating the projects. Integrated resource management, sales control, project planning and delivery will provide further improvements for the joint organization, leveraging new business intelligence tools. M&A pipeline preparations are in progress around extending the product portfolio, for example, patient portals, analytical tools, and voice recognition support; however, execution is planned for 2023 and onwards. Innovation and product development will continue to be a key focus area in the future. Mesalvo focuses on improving care and efficiency, leveraging the medical and software expertise in the organization to secure the uniqueness of the solution in the market.

1. The Hospital Future Act (KHZG) is an investment program initiated by the German federal government that is aimed at digitalizing and strengthening regional healthcare structures



MESALVO - IMPACT ASSESSMENT AND POTENTIAL

| EFFECT | | SIZE | LIKELIHOOD | |
|---|---|--|--|---|
| What | Who | How much | Contribution | Risks |
| <p>Electronic Medical Records (“EMR”) improve the quality of healthcare, address the issue of patient safety in hospitals, and contribute to fulfilling the need for resilient and efficient healthcare infrastructure.</p> <p>There is an evidenced link between Meona / i-SOLUTIONS combined products and improved health outcomes from digitalization, with the importance of impact outcomes supported by academic research, medical studies and the Hospital Future Act.</p> | <p>Hospital patients in Germany benefit from better quality and safety of care, and time to care.</p> <p>Clinicians in Germany benefit from improved satisfaction and working conditions.</p> <p>Quality and efficacy of healthcare are at risk with a high number of avoidable adverse events and avoidable deaths, low clinician satisfaction, and low adoption of hospital-wide EMR.</p> | <p>Scale: Currently limited scale, with significant potential to grow domestically and internationally.</p> <p>Depth: Significant depth from avoidable adverse events in hospitals and preventable mortality, as well as savings in staff time and continuity of care – potential to lift benefits towards hospitals and patients.</p> <p>Duration: Long-term benefits from chronic disease management, prevention and screening.</p> | <p>Company contribution Combined clinical benefits of Meona / i-SOLUTIONS products superior to peers and enable higher levels of EMR maturity in German hospitals permitting better patient safety and quality of care.</p> <p>Trill Impact identified key areas of action during the investment phase to achieve full impact potential. Aim to grow and position Meona / i-SOLUTIONS to accelerate EMR maturity in hospitals.</p> <p>Continuous product development to improve patient safety and health outcomes.</p> | <p>Evidence risk: use of assumptions in calculating depth of impact.</p> <p>Unexpected impact risk: product quality and safety of software may result in system downtime.</p> <p>Stakeholder participation risk: lack of adoption of digital EMR application by clinicians.</p> <p>External risk: cyberattacks on customers / hospitals.</p> <p>Where possible, the above impact risks are mitigated in the Value Creation Impact Plan alongside ESG risks and opportunities.</p> |

20k

avoidable deaths due to medical errors per annum in Germany

<20%

significant digitalization of medical records in Germany

>800+

installations in medical institutions

5%

market share with competitive and innovative platform solution

IMPACT
MANAGEMENT
PROJECT



Benefits stakeholders



Leader in digital educational tools

At a glance

ILT Education offers digital educational tools for schools and pre-schools. The company focuses on audio and visual-assisted learning solutions for children and students with dyslexia, other cognitive needs, and multilingual backgrounds. Its comprehensive service offering, delivered through a SaaS business model, is available in several countries in Europe and North America. The company has delivered strong and consistent growth over the years with a high level of recurring revenues and low customer churn.

| | | |
|---|----------------------|------------------------|
|  | Impact theme | Education |
|  | Sector | Educational Technology |
|  | Location | HQ in Sweden |
|  | Year acquired | 2021 |
|  | Revenues | SEK 163m |
|  | FTEs | 60 |



Value creation with impact

Trill Impact sees significant potential in developing ILT Education from a Swedish market leader to a larger international platform within digital education tools in an industry benefiting from rapid structural growth.

Trill Impact supports ILT Education in accelerating access to equitable education for children and students with reading disabilities and multilingual backgrounds and further accelerating product innovation.

SDG contribution



SDG #4.1

By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.



SDG #4.2

By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education.



SDG #10.2

By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Agenda for impact and operational ESG excellence

- Continued organic growth in the home market via further market penetration (especially Polyfino) and product offering extensions
- Accelerate in existing growth markets (Finland, Norway, DACH, and France) while selectively expanding into additional international markets
- Product innovation and entry into new impactful verticals
- Growth through M&A
- Implementing impact measurement to track developments over time and receive user feedback (teacher surveys on impact)
- ESG roadmap focuses on employee wellbeing, climate, and responsible partnerships

ILT Education solutions addressed

3.7 million

learning needs¹ of children and students in 2021

1. Many students in Sweden have access to several products (Inlästa läromedel, Begreppa and Polyfino) through their schools. Therefore, we count learning needs addressed, that are calculated based on the contractual outreach

ILT EDUCATION HIGHLIGHTS

Highlights 2021

Trill Impact initiated the onboarding process with ILT Education (ILT) immediately after closing and supported in completing the first add-on for ILT in the company’s history already in Q3 2021 (Ugglo, a peer company active in Sweden). The two companies are together creating an even stronger offering, providing more children with access to a broader book catalog. Moreover, additional software engineers will help accelerate product functionality and user experience improvements. Additional discussions with potential add-ons are jointly driven by Trill Impact and ILT.

ILT has entered several new markets since Trill Impact’s entry, including the UK, US and Canada. Strong local teams have been recruited, laying a solid foundation for the growth journey ahead. Several product launches were executed in international markets, including Begreppa in Finland and Norway and Polylino in the UK.

ILT has established a new role; Head of People, Culture and Impact to strengthen the HR function and drive the impact agenda.

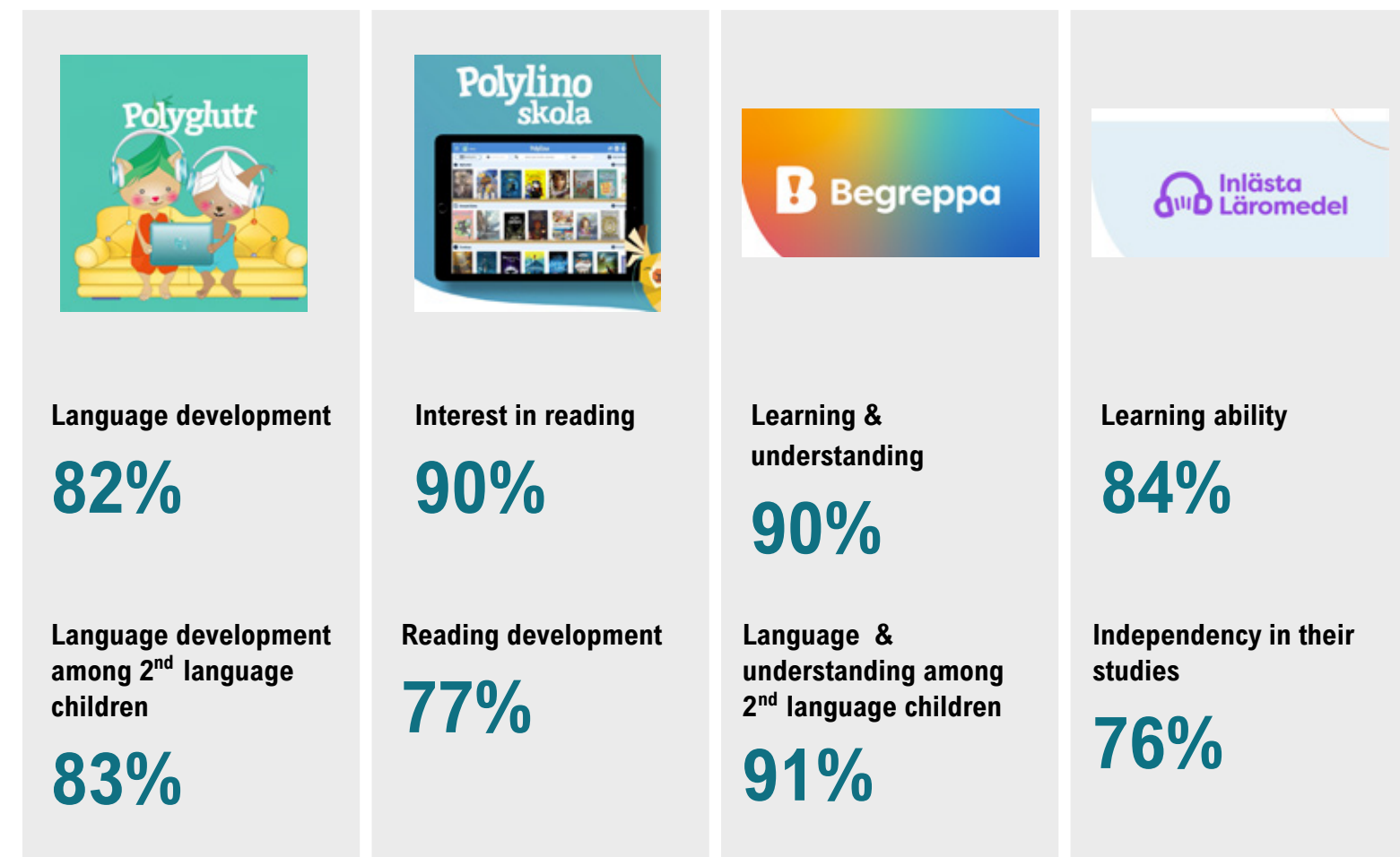
ILT’s management and board have, together with Trill Impact, assessed and developed an approach to track impact performance to prioritize scaling, usage, and quality. During the fall, Trill Impact supported the development of an enhanced customer / teacher survey aiming to capture quality in terms of how ILT’s solutions help children’s language development, reading skills, and inclusiveness. Trill Impact also helped map relevant certifications, awards, and networks valuable in making ILT more visible and credible in new markets. Polylino and Begreppa were certified and received valuable input on improvement areas for a further enhanced learning experience by Education Alliance Finland, globally recognized experts evaluating EdTech products from a pedagogical perspective.



In Q4 2021 ILT Education conducted their first extensive teacher impact survey. Results show strong impact evidence across all products. The data below is an example from Sweden covering four products.

Case study: Impact measurement through surveys

“I have recognized an improvement or a significant improvement among the children/students after using..”



ILT EDUCATION - IMPACT ASSESSMENT AND POTENTIAL

| EFFECT | | SIZE | LIKELIHOOD | |
|--|---|--|---|---|
| What | Who | How much | Contribution | Risks |
| <p>Audiobooks are an essential tool for dyslexic students to make school material accessible and to stay on track with schoolwork.</p> <p>The Begreppa product helps to access school education in multiple languages.</p> <p>The Polyino product is useful as an early intervention to stimulate reading and language development.</p> <p>Education is highly prioritized by governments in targeted markets and is addressed in SDG strategies.</p> <p>Interest in digital education tools has increased during recent years and was boosted by Covid-19 pandemic.</p> | <p>Children with reading disabilities and foreign background are the primary beneficiaries, in addition the benefits a wide group of children and students.</p> <p>Over 20% of students are underachieving in reading, math and science in the EU (target is <15%).</p> <p>There is a continued need to close the gap between girls and boys and between students from different socio-economic backgrounds.</p> <p>Education and learning environments need to be inclusive and accessible to children and pupils and adapted to their needs.</p> | <p>Scale: ILT Education is the largest provider in the addressable market. It has high growth and considerable potential to reach more children in new markets.</p> <p>Depth: There is plentiful academic evidence on the critical role of audiobooks in educating children with reading difficulties, the value of strengthening their mother tongue while learning a second language, and early intervention for reading and literacy skills development.</p> <p>Duration: Education is considered to have a life-long impact on the quality of life and wellbeing.</p> | <p>ILT Education offers pioneering and unique products previously unavailable in the markets it is serving.</p> <p>Trill Impact identified key areas of action during the investment phase to achieve full impact potential. Aim to accelerate access to equal education for children and students and maximize learning outcomes, language development, reading skills, and inclusiveness.</p> | <p>Execution risk: in entering new underserved markets.</p> <p>Efficiency risk: availability of cheaper alternatives.</p> <p>Stakeholder participation risk: lower user utilization than expected.</p> <p>Where possible, the above impact risks are mitigated in the Value Creation Impact Plan alongside ESG risks and opportunities.</p> |

EUR 6.5b

dedicated to digitalization in schools in Germany (DigitalPakt Schule)

>20%

of students underachieving in reading, math and science

3.9m

learning needs of children and students are addressed by ILT Education solutions

14k+

audio and digital book titles available in total

IMPACT
MANAGEMENT
PROJECT

Contribute to solutions







EUROPEAN ID SECURITY

Becoming a leader in cybersecurity

At a glance and highlights 2021

In October 2021, Trill Impact acquired Arctic Group and ID North to form a strong platform for future expansion, jointly called European ID Security. The group addresses cyber-threats, with an initial focus on identity security, an attractive and important vertical of the fast-growing and fragmented cybersecurity service provider market.

Trill Impact's onboarding process kicked off in Q4, including recruiting a CEO and CFO for the group. Good initial progress was also made related to identified value creation levers, including accelerating existing and establishing new dialogues with potential add-ons. Impact and ESG matters were discussed and aligned pre-signing and agreed to accelerate early 2022.

| | | |
|---|----------------------|------------------------------|
|  | Impact theme | Good Governance and Security |
|  | Sector | Cybersecurity |
|  | Location | HQ in Sweden |
|  | Year acquired | 2021 |
|  | Revenues | SEK 132m |
|  | FTEs | 73 |



Value creation with impact

In today's mobile, digital and cloud world, the IT security of governments and enterprises is at risk as an increasing number of organizations digitalize their operations, sometimes without ensuring that adequate cybersecurity measures are put in place. Identity theft, data breaches and insider threats are among the top ten cyber-threats in the EU, serious security concerns which have been further amplified during the Covid-19 pandemic given the overall increase in cyberattacks. If not properly safeguarded, vulnerabilities can lead to disastrous effects on organizations and society at large. The global cost of cybercrime today is estimated to EUR 5.5 trillion.

SDG contribution



SDG #16.4

Combat all forms of organized crime.



SDG #9.1

Develop quality, reliable, sustainable and resilient infrastructure.



SDG #4.4

Increase the number of youth and adults who have relevant skills, including technical and vocational skills.

Agenda for impact and operational ESG excellence

- Continued organic growth, adding new customers and expanding share of wallet in existing verticals
- Consolidate fragmented market across Europe, expand offering to other verticals and realize cooperation benefits and synergies
- Investment in talent development and utilize impact work in external and internal communication
- Increase sophistication relating to sales and go-to market strategy
- Strengthen partnerships and terms with technology solution providers



72,000
identities protected

EUROPEAN ID SECURITY - IMPACT ASSESSMENT AND POTENTIAL

| EFFECT | | SIZE | LIKELIHOOD | |
|---|--|--|--|--|
| What | Who | How much | Contribution | Risks |
| <p>Modern identity security projects and skills development reduce the likelihood of data breaches, identity theft, and insider threats.</p> <p>Linked by the EU Commission to SDG target 4.4 (technical skills), 9.1 (resilient infrastructure), and 16.4 (combat organized crime).</p> <p>Important issue for society as identity theft, data breaches and insider threats are increasing with an estimated global societal cost of EUR 5.5 trillion at the end of 2020 (ca. 6% of GDP); and a cybersecurity workforce shortage of 3.5 million in 2021.</p> | <p>Employees, enterprises, and society benefit from cybercrime prevention and continuity of critical services.</p> <p>79% of surveyed security professionals say they had a breach at their company within the past two years.</p> | <p>Scale: Currently limited scale, with significant potential to grow domestically and internationally.</p> <p>Depth: Modern identity vs. traditional identity improves an organization’s cybersecurity posture, e.g., through adaptive multi-factor authentication and centralized identity security.</p> <p>Duration: Shelf life of 15 years, however, relies on maintenance and upgrades</p> | <p>At par with the identity security specialist market.</p> <p>Trill Impact identified key areas of action during the investment phase to achieve full impact potential. Aim to build a European impact leader in cybersecurity, preventing cybercrime and building digital trust. Potential to improve impact outcomes and ESG practices.</p> | <p>Evidence risk: challenges in tracking security outcomes from identity security implementation projects.</p> <p>Execution risk: poor implementation projects and not attracting the best talents.</p> <p>Stakeholder participation risk: losing clients due to lack of the most advanced identity security solutions.</p> <p>Where possible, the above impact risks are mitigated in the impact roadmap alongside ESG risks and opportunities.</p> |

EUR 5.5trn.
estimated societal cost

79%
of companies faced
cybercrime the last 2 years

72k
protected identities

61%
of breaches in the past year
involved credentials data



Contribute to solutions

A man in a red and blue plaid shirt is looking down at a tablet computer in his hands. He is standing in a field of green leafy plants, possibly a vegetable garden or farm. In the background, there are some buildings and a fence.

TRILL IMPACT MICROFINANCE

Trill Impact Microfinance contributes to financing and advises on the selection of Microfinance Institutions (MFIs) to support microentrepreneurs and low-income households in partnership with Developing World Markets (DWM).

Microfinance targets people who are excluded or underserved by the mainstream financial system. They generally lack a credit history and collateral, which are requirements from the banks.

This section

- Microfinance investment strategy
- Investment Process
- Meet the end-clients – the entrepreneurs

MICROFINANCE INVESTMENT STRATEGY

The private debt strategy is lending to Microfinance and other Inclusive Finance Institutions (IFINs) and impact borrowers, providing solutions related to the SDGs.

Microcredits aim to help entrepreneurs start a new company or expand an existing company; through this, they have an opportunity to increase their income. As they increase their income, they can invest in themselves and their families. For example, their children can stay in school longer and get a better education; they can access better healthcare, improve their accommodation, and perhaps even build a small savings buffer. These are all positive attributes of microfinance.

Carried out in partnership with DWM, microfinance offers a diversified exposure to some of the world's fastest-growing economies typically decoupled from the macro environment. Microfinance also gives exposure to non-typical currencies and markets, making the Microfinance Fund a diversifier for an alternative assets portfolio. The Microfinance Fund lends to high-quality IFINs that deliver financial services to entrepreneurs, low-income households, and small businesses, thereby reaching millions of individuals in parts of the world where it is needed the most.

Trill Impact in partnership with DWM

DWM has invested USD 2.2 billion in private debt and private equity, on behalf of institutional investors, into more than 200 impact companies across more than 60 developing countries since inception in 1994. DWM staff operates from 16 global locations and speaks more than 20 languages.



Number of clients reached

5.4 million

Share of women

74%

Share covered by Client Protection Principles

94%

Share with access to financial literacy training

94%

The intention of the Microfinance strategy is to directly support the following SDGs



The common impact of Financial Inclusion on these SDGs is that it addresses the underserved enterprises and households in the markets where the Microfinance Fund invests, contributing to development.

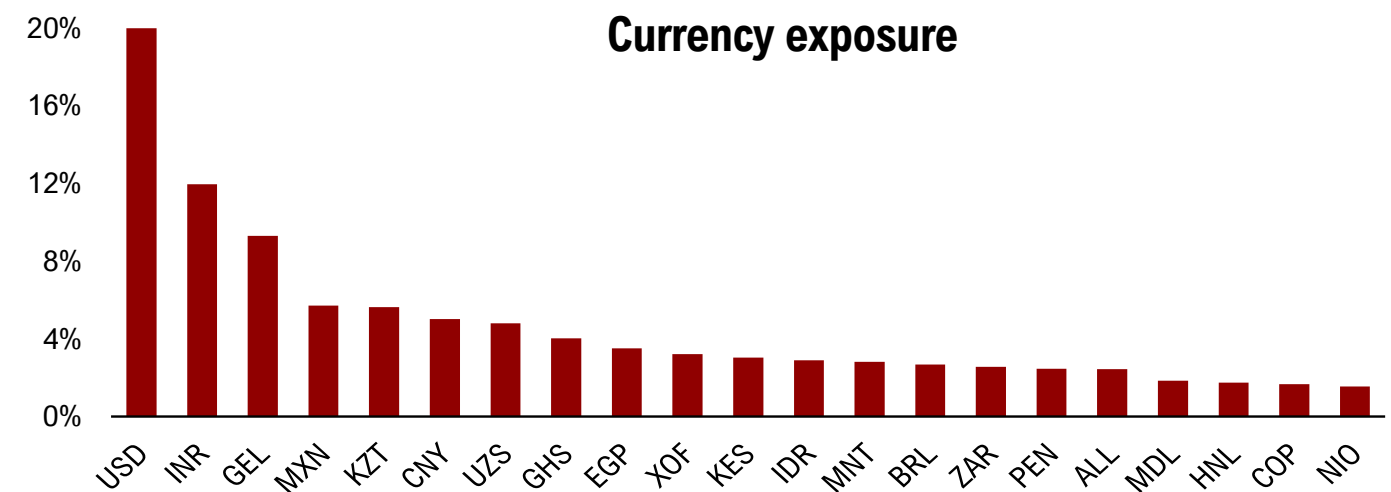
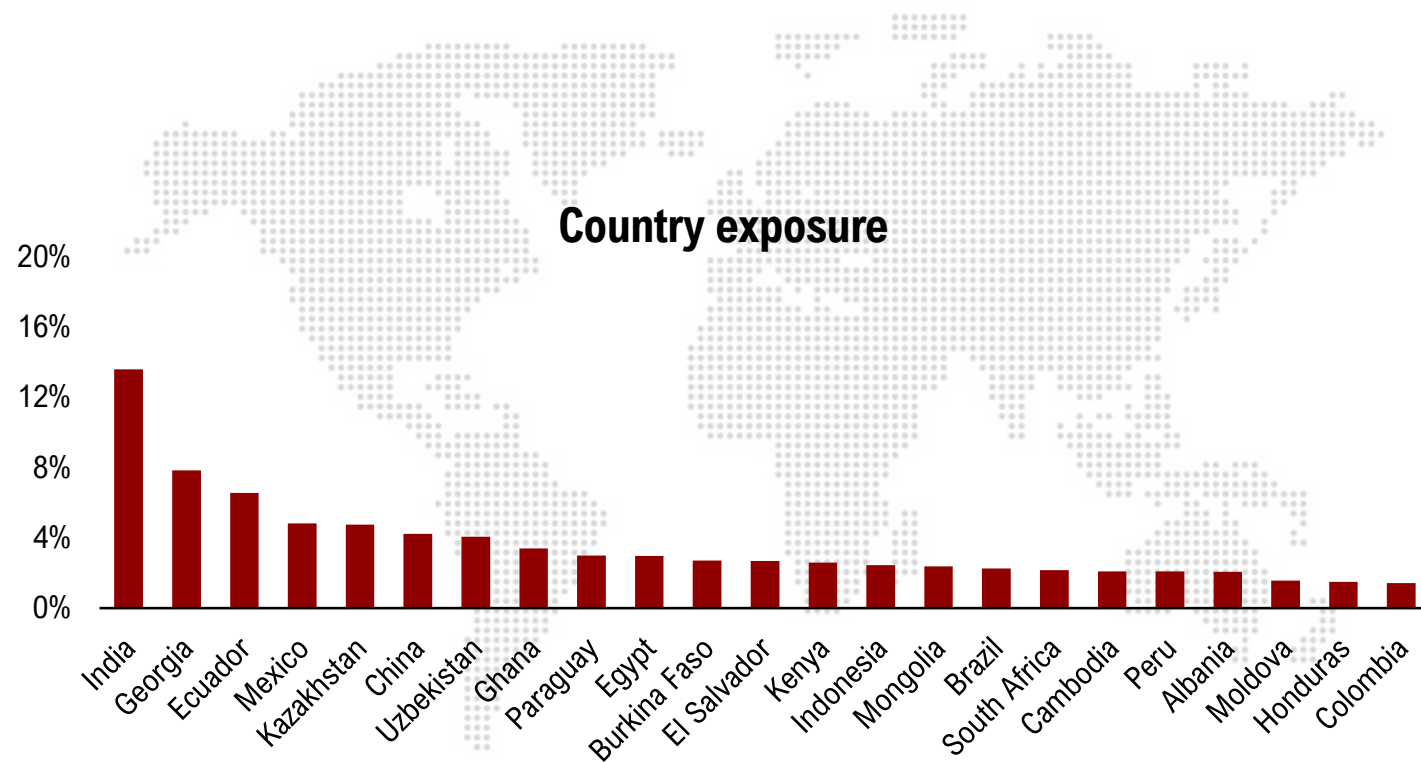
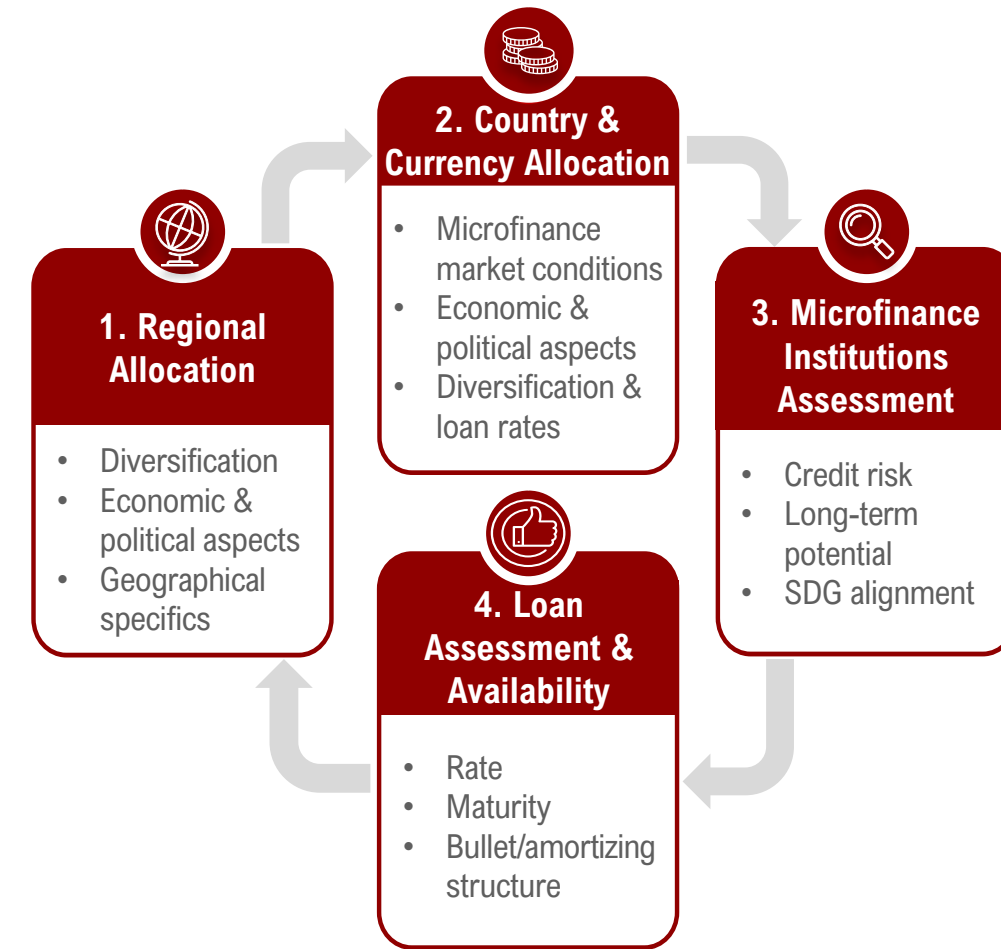
MICROFINANCE INVESTMENT PROCESS

The investment process is a top-down and bottom-up approach, where Trill Impact and the DWM team create a model portfolio based on countries and currencies.

This is subsequently executed in close collaboration with the DWM Debt team, managing the relationships with the MFIs globally and providing bottom-up perspectives on their respective markets.

The Microfinance Fund invests in emerging and frontier markets. At the end of the year, this amounted to 24 countries. These countries, as illustrated, are typically low and middle-income countries, each with their own challenges in regard to the SDGs, implying that the Microfinance Fund has the scope to contribute with significant positive impact through the IFINs it lends to.

Diversification is a key component of the strategy, so the number of countries the Microfinance Fund is reaching is likely to increase as the fund continues to grow. This also implies, in our view, that the impact of the Microfinance Fund will increase over time as more markets are reached.



MEET THE END-CLIENTS, THE ENTREPRENEURS



Naim, Albania

Dairy entrepreneur

Produces a range of yoghurt, cheese, butter and other dairy products.

Naim runs a dairy shop in Tirana in Albania. He got a loan equating USD 4,500 from a MFI that the Microfinance Fund is lending to, so that he could buy equipment to start his business. He would collect the milk directly from the farmers in the villages surrounding the city, with which he would make yogurt, cheese, butter and other dairy products. Initially this was sold through different shops in the city, but as Naim and his family saw that demand for their products were high, they considered taking the next step in the business journey. They went back to the MFI and took out a second, larger loan. With this they could buy and equip a shop. The demand for their products continued to be high, and they often sold out their wares, so they decided to invest to increase their production capacity. They now have many repeat customers, who have started bringing their friends and family to the shop, steadily increasing the customer base. He has never been late with a repayment.



Maria, Peru

Lemons and passionfruit farm owner

Since 2007 Maria has increased her farm from 8 hectares to 32.

Maria comes from the province of Cajamarca in Peru and runs a business engaged in the production and sale of lemons and passion fruit. She has been at the same small farm for over 20 years. Initially Maria had problems obtaining financing as several commercial banks deemed her business to be too small. One of the Microfinance Institutions in the country the Microfinance Fund lends to was one of the few who were willing to work with her and sent an analyst to her farm to explain the potential benefits of obtaining the loan. Maria first began taking loans from the MFI in 2007. Over this time, she has increased her farm from 8 hectares to 32 and has employed her entire family in helping her run the business. Her goal going forward is to continue to expand her business into both nearby and extra-regional markets.

DEFINITIONS

EU has adopted The Sustainable Finance Action Plan as part of its “European Green Deal” to promote sustainable investment across the EU and beyond. The EU’s objective is for the union to be carbon neutral by 2050, and the Sustainable Finance Action Plan is a vital part of reaching this goal.

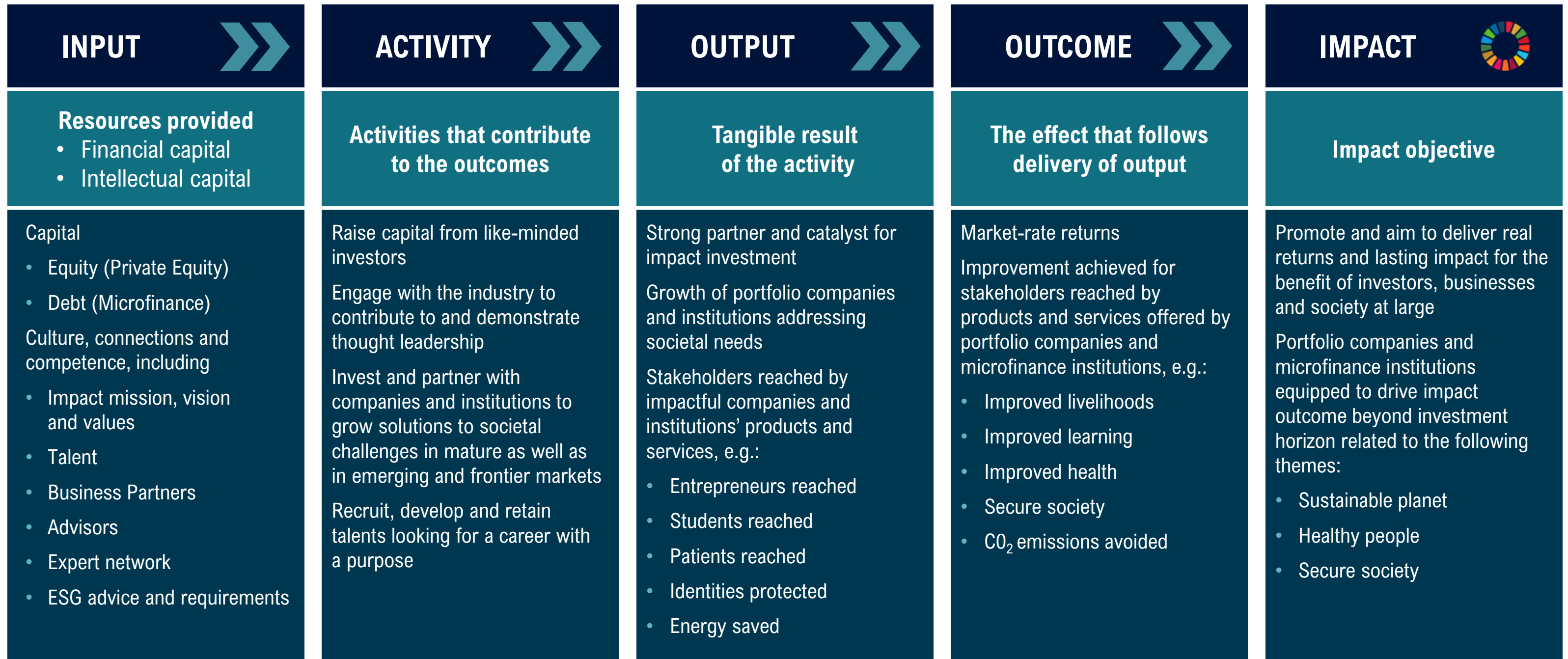
As part of the Plan there is a new Sustainable Finance Disclosure Regulation (SFDR) aiming to better classify and streamline the sustainability credentials of investment funds and a new EU Taxonomy for classification of different economic activities.

This section

- Theory of change for Trill Impact’s strategies
- Trill Impact’s approach to the SFDR (Private Equity Fund)
- Impact and ESG investing definitions

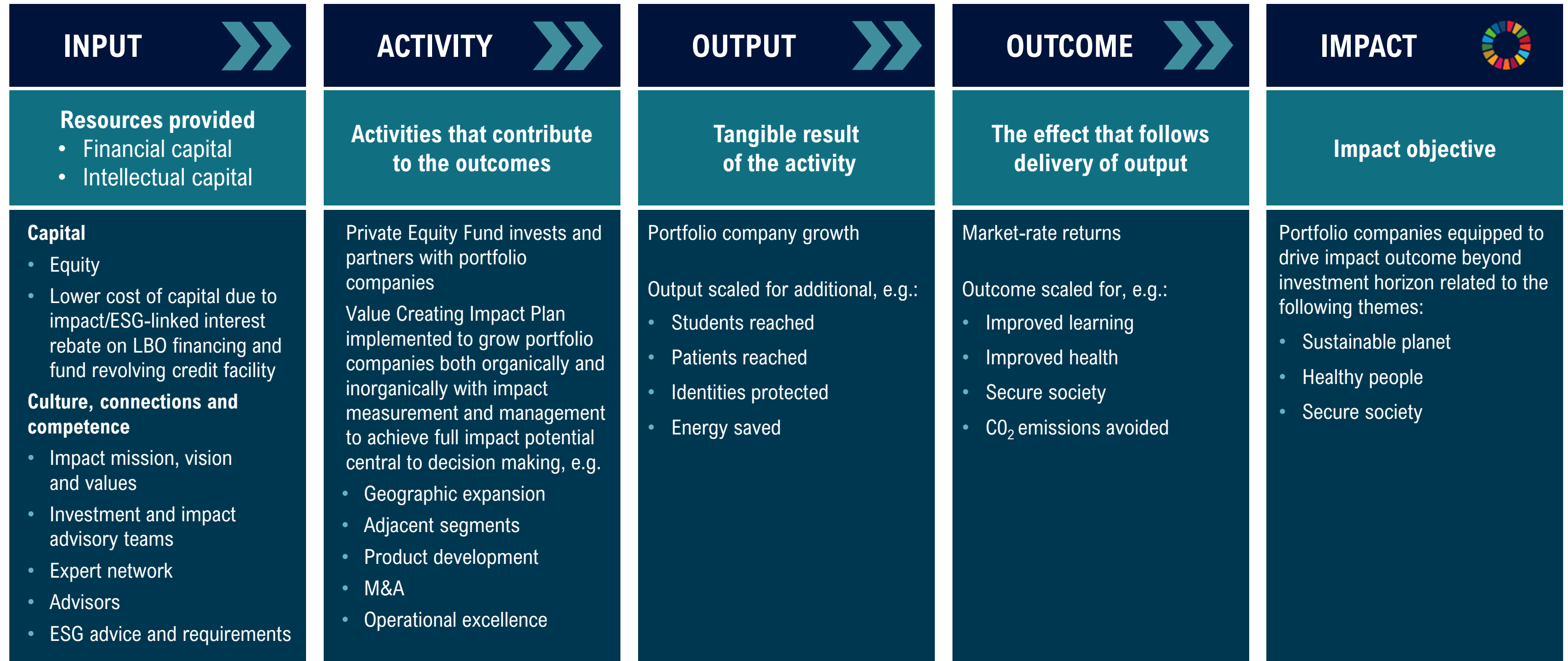
TRILL IMPACT – THE HOUSE OF IMPACT VALUE CREATION MODEL – THEORY OF CHANGE

Driving positive impact on people and our planet, while building prosperous businesses



IMPACT PRIVATE EQUITY VALUE CREATION MODEL – THEORY OF CHANGE

Growing European mid-market companies to increase social and environmental outcomes



MICROFINANCE VALUE CREATION MODEL – THEORY OF CHANGE

Supporting entrepreneurs and households in emerging and frontier markets



SUSTAINABLE FINANCE DISCLOSURE REGULATION

SFDR at a glance

In 2021, the Sustainable Finance Disclosure Regulation (SFDR) came into force as a part of the European Commission's Sustainable Finance Action Plan. The SFDR is designed to support the reorientation of cash flows towards sustainable development. This means financial products, must provide clarification regarding a fund's sustainable investment objectives and disclosure around various ESG aspects.

We expect sustainability regulations to evolve continually over the coming years, and we will ensure alignment to regulatory changes as required.

Sustainable investments

Trill Impact has impact and sustainable investing alongside financial returns as its main objectives. Naturally, our inaugural private equity fund has been classified in accordance with SFDR article 9 – “a fund that has sustainable investment as its objective.” Sustainable investing means investing in companies that positively contribute to an environmental or social objective. Simultaneously, our investments should not significantly harm any other environmental or social objectives, for example, the UN SDGs.

To attain a sustainable objective, binding elements of Trill Impact's investment strategy require initial screening of each target company. The process must identify a positive impact on either society or the environment, contributing to one or more of the UN SDGs. A substantial proportion of each company's products, service offerings, or value chain must contribute to a more sustainable society.

Sustainable investment thresholds

For the Trill Impact Advisor to proceed with a potential investment recommendation, it must contribute to an environmental and / or social objective backed by a credible and tested 'Impact Thesis'. The Impact Thesis must pass rigorous analysis by the Impact Team and be challenged by the Investment Advisory Committee ("IAC"). If the Impact Thesis demonstrates that a substantial proportion of the investment company's products, services, or value chain, contributes to a social or environmental objective, the investment

How do we keep aligned?

To ensure Trill impact walks the talk, we have implemented several controls to align with the SFDR throughout the investment and ownership processes. A key aspect of the investment process is the IAC's review and recommendation of an investment based on the impact and ESG analyses conducted by dedicated impact experts. The IAC and the entire investment and ownership process are designed to seek a world-class impact and ESG approach, which includes an appointed Impact Partner at the Advisor. Trill Impact's impact and ESG approach is guided by the Impact Investment and Ownership Policy.

Minimum safeguards

The Fund's portfolio companies must fulfil minimum safeguards related to key norms and international conventions stated in the Impact Investment and Ownership policy. Where non-compliance has occurred before ownership, Trill Impact will assess whether sufficient safeguards have been implemented to mitigate any further breaches or assess the feasibility of implementing minimum safeguards during ownership. Trill Impact will launch an investigation and implement measures to control any further breaches where breaches occur under ownership. To date, no breaches have occurred.

Good governance practices and ESG due diligence

Trill Impact considers good governance practices and expects target companies to follow good ESG governance procedures and practices. Therefore, Trill Impact conducts an ESG due diligence before investing.

The ESG due diligence entails a complete review of current ESG management practices and historical breaches regarding ESG norms and ethical behavior. Where good governance aspects, or lack thereof, are flagged during due diligence, further analysis of the target company is undertaken. Furthermore, ESG due diligence is utilized to conduct TCFD analysis.

Where target companies lack good governance practices, full management buy-in to implement improved ESG governance controls is required. For example, Trill Impact require all of portfolio companies to implement a code of conduct and a third-party whistle-blower system.

SUSTAINABLE FINANCE DISCLOSURE REGULATION

Principle Adverse Impacts

Trill Impact understands that all economic activities can potentially impact sustainability factors adversely. Therefore, all investments are screened seeking to identify a holistic view of potential principle adverse impacts (PAI). Where significant adverse impacts are identified, Trill Impact integrates these factors into the investment decision process. Where an adverse impact is too severe and cannot be managed, it will lead to a non-invest decision. However, if the adverse impact can be reduced and managed, the fund may invest and periodically report the PAI indicators according to SFDR requirements.

PAI and considerations

Trill Impact takes a risk-based approach to PAI and therefore encompasses fundamental analysis that considers the risk exposure regarding, but not limited to, the SFDR mandatory PAI aspects and “do no significant harm principle” (DNSH). In particular, the analysis considers:

- **Relativity** – the company’s size, geography and industry. We are using revenue as a proxy, as well as the nature of the sector the business operates within.
- **Net impact – total positive impact versus total negative impact.** To estimate the net impact, we use a third-party data solution (pilot 2H 2021/2022), in addition to manual outside-in assumptions based on externally available data.
- **EU Taxonomy** – where applicable, the DNSH thresholds are set out by the EU taxonomy technical standards.

Data measurement, monitoring and transparency

Many of the companies Trill Impact will invest in are less developed in terms of impact and ESG data due to maturity, size, and the nature of private markets.

Trill Impact’s role is to support a transition into improved reliability, accuracy, and availability of company-specific impact and ESG KPIs. Impact and ESG performance are measured and reported regularly and leveraged in customer and other stakeholder communication. Depending on the strategy, size and maturity, portfolio companies are expected to report on SDG metrics, PAI indicators, and company-specific ESG risk and opportunity KPIs. Thus, a data collection system is available for the portfolio companies to upload relevant impact and ESG data to facilitate the reporting and analysis process. In addition, Trill Impact encourages and supports portfolio companies to engage with a third-party provider to calculate and map out the company’s carbon footprint. In 2021, Trill impact focused on implementing the data collection system. Therefore, we are in the very early stage of collecting reliable and accurate data from portfolio companies. We expect 2022 to have a more comprehensive set of PAI data collected from portfolio companies. We intend to coach portfolio companies on how to successfully use the data collection system to deliver reliable and accurate sustainability data that is beneficial to value creation and regulatory purposes.

PRINCIPLE ADVERSE IMPACT INDICATORS (I/II)

Principle Adverse Impact indicators

2021 marks the first year for sustainability impact disclosure requirements for in-scope fund managers. Considering we have implemented our data collection system under 2021 for the Private Equity strategy, it is also the first time our portfolio companies have been introduced to PAI indicators. Therefore, we have taken a qualitative approach to the PAI table below. We have worked with a third party to provide us with assumption-based PAI data during the reporting period. However, we intend to communicate actual data for the 2022 reporting period.

| Adverse indicator group | Adverse sustainability indicator | Metric | Comments / actions taken | |
|--------------------------|--|---|--|---|
| Greenhouse gas emissions | 1 GHG emissions | Scope 1 GHG emissions Scope 2 GHG emissions Scope 3 GHG emissions | Within nine months after closing, each portfolio company is required to establish a baseline and set targets in line with the science-based targets methodology. Currently Trill Impact has data for Nordomatic. The remaining portfolio companies will establish a GHG emissions baseline and reduction plan during 2022. | |
| | 2 Carbon footprint | Carbon footprint | | |
| | 3 GHG intensity of investee companies | GHG intensity of investee companies | | |
| | 4 Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | | Currently no holdings with exposure. |
| | 5 Share of non-renewable energy consumption and production | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage | | As part of setting the GHG emissions baseline and targets in portfolio companies, data on non-renewable energy consumption and production will be collected. Currently, we have this data for Nordomatic, and during 2022, we will collect this data for the remaining portfolio companies. |
| | 6 Energy consumption intensity per high impact climate sector | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector | | Currently no holdings with exposure. |
| Biodiversity | 7 Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas | Currently no holdings with exposure. | |
| Water | 8 Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | Currently no holdings with exposure. | |
| Waste | 9 Hazardous waste ratio | Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average | Currently no holdings with exposure. | |

PRINCIPLE ADVERSE IMPACT INDICATORS (II/II)

| Adverse indicator group | Adverse sustainability indicator | Metric | Comments / actions taken |
|------------------------------------|---|--|---|
| Social and employee matters | 10 Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | No violations have occurred during 2021. |
| | 11 Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | Third party whistle-blower systems implemented in Nordomatic, ILT Education and Mesalvo. To be implemented across all portfolio companies during 2022. |
| | 12 Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | During 2022, Trill Impact will collect relevant data from portfolio companies on the gender pay gap. |
| | 13 Board gender diversity | Average ratio of female to male board members in investee companies | Trill Impact is managing a diverse a network of Board professionals. Board members recruited and tailored to each company and situation to fit the needs. |
| | 14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | Currently no holdings with exposure. Not in scope with Trill Impact's investment strategy. |

ADDITIONAL SOCIAL AND ENVIRONMENTAL INDICATORS

| Adverse indicator group | Adverse sustainability indicator | Metric | Comments / actions taken |
|--------------------------|---|---|--|
| Greenhouse gas emissions | 15 Investments in companies without carbon emission reduction initiatives | Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement | <p>Under 2021, Nordomatic has taken action on reducing scope 2 emissions, already in 2021 reaching 2025 targets.</p> <p>The remaining portfolio companies will obtain accurate data during 2022 and create tailored GHG emissions reduction plans.</p> |
| | 16 Insufficient whistle-blower protection | Share of investments in entities without policies on the protection of whistle-blowers | Third party whistle-blower systems implemented in Nordomatic, ILT Education and Mesalvo. To be implemented across all portfolio companies during 2022. |

DEFINITIONS

| Term | Definition |
|--|---|
| 2030 Agenda | In 2015, all the United Nations member states (UN) approved the 2030 Agenda for Sustainable Development - an action plan to help people and the planet, encompassing the 17 SDGs |
| Trill Impact AB Group | May refer interchangeably to Trill Impact AB and/or any one or more of their respective direct or indirect subsidiaries including, for the avoidance of doubt, the general partner of the Fund, and the investment advisors to such general partner, as the context requires |
| “Trill Impact Fund” or the “Fund” or “Fund I” or “Private Equity Fund” | The Fund known as “Trill Impact”, being comprised of Trill Impact (No.1) SCSp, Trill Impact (No.2) SCSp and Trill Impact (No.3) SCSp together with any other investment vehicles that may be established from time to time in connection with the participation of Investors in such fund |
| “Trill Impact” | May refer interchangeably to the Trill Impact AB Group and/or the Trill Impact Fund |
| BlueMark | Supplier. Validated Trill Impact’s and Nordea’s Impact processes 2021/22 |
| | |
| DNSH | Do No Significant Harm principles |
| DWM | Developing World Markets |
| ESG | Stands for Environmental, Social and Governance |
| EU Taxonomy | The EU Taxonomy is part of EU’s plan for sustainable investments and is used to assess which economic activities of potential investments or portfolio companies is sustainable |
| GIIN | Global Impact Investing Network, a non-profit organization to increase the scale and effectiveness of impact investing, by providing education and research reports on impact investing |
| GRI | Global Reporting Initiative is an international independent standard organization helping businesses and organizations take responsibility for their impact by providing standards for sustainable reporting |
| IFIN | Inclusive Finance Institution |
| Impact | Impact is a positive or negative change in an outcome caused by an organization, intended or unintended |
| IMP | The Impact Management Project methodology which has built consensus on how to measure and manage ESG and positive impact. Trill Impact uses the five dimensions of the IMP (What, Who, How Much, Contribution and Risk) to assess potential investments |
| IRIS+ | Generally accepted system for measuring, managing and optimizing impact |

| Term | Definition |
|--|--|
| “Microfinance Fund” or “SDGs Credit Fund” | The fund known as Trill Impact-DWM SDGs Credit Fund |
| MFI | Organizations that provide loans to low-income clients, including micro-companies and the self-employed, who traditionally lack access to mainstream sources of finance from Banking Institutions. |
| “Nordea Asset Management” or “Nordea” | Nordea Asset Management is the functional name of the asset management business conducted by the legal entities Nordea Investment Funds S.A. and Nordea Investment Management AB (“the Legal Entities”) and their branches, subsidiaries and affiliates (including Nordea Asset Management Alternative Investments AB) |
| Operating Principles for Impact Management | A framework for the design and implementation of impact management systems, with a goal to ensure that impact considerations are integrated throughout the investment lifecycle. Signatories to the Impact Principles are impact investors and advisors |
| PRI | Principles for Responsible Investment is the world’s leading proponent of responsible investment. It works: to understand the investment implications of environmental, social and governance (ESG) factors; to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions |
| SASB | The Sustainable Accounting Standards Board guides the disclosure of companies’ financial material sustainability information to their investors. Available for 77 industries, the Standards identify the subset of ESG issues most relevant to financial performance in each industry |
| SBTi | Science-Based Target Initiative Methodology to ensure that the CO ₂ reduction targets and measures of a company are in line with the targets of the Paris Agreement |
| SDG | The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice |
| SFDR | First regulation set by the EU which aims to reorientate capital flow towards sustainable finance. SFDR is inserted to provide transparency on sustainability within the financial market and thereby prevent greenwashing |
| TCFD | Task force on Climate-related Financial Disclosures to improve and increase reporting of climate-related financial information, including a framework to help companies disclose climate-related risks and opportunities |
| Value Creation Impact Plan | The goal of Value Creation Impact Plan is to secure the portfolio company’s contribution to one or more SDGs and to address ESG aspects effectively based on the company’s maturity level, industry and geographic footprint |

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