

Sustainability Report 2023

Prime Capital Group

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Letter of the CEO

"As an alternative asset investment manager, we have a unique role and responsibility to shape the future of the sectors and regions we invest in, such as energy infrastructure, real estate, transportation and social infrastructure."

Andreas Kalusche, CEO



It is my pleasure to present to you Prime Capital's first sustainability report, covering the year 2023. This report reflects our commitment to integrate sustainability into our core business activities and to communicate our sustainability journey in a transparent and accountable manner.

We see sustainability as a strategic opportunity to create long-term value for our clients, employees, shareholders, and society at large. As an alternative asset investment manager, we have a unique role and responsibility to shape the future of the sectors and regions we invest in, such as energy infrastructure, real estate, transportation and social infrastructure.

This report was prepared based on a comprehensive materiality analysis that we conducted in 2023, with the input of our internal and external stakeholders. The analysis identified the most relevant sustainability topics for our business, in terms of financial risks, impacts and opportunities. The results of this analysis guided the structure and content of this report, as well as our sustainability strategy and action plan for the coming years.

The year 2023 was a challenging one for the asset management industry. High interest rates, inflation and geopolitical tensions challenged the fund-raising environment particularly in private markets. Despite these difficulties, we managed to achieve several milestones in advancing our sustainability agenda and creating long-term value for our clients and investors.

One of our highlights was the launch of two sustainability-themed funds: the Prime Green Energy Infrastructure Fund II (PGEIF II) and the Prime Sustainable Infrastructure Debt Fund (PSIDEF). These funds aim to invest in projects that contribute to the United Nations Sustainable Development Goals (SDGs), such as affordable and clean energy (SDG 7), and industry, innovation and infrastructure (SDG 9).

In 2023, we completed several transactions in the renewable energy sector, including investments in wind farms and solar plants across Europe. Furthermore, we expanded our energy infrastructure business line, which aims to accelerate the energy transition by developing

and operating projects that use innovative technologies such as power-to-X and battery energy storage systems (BESS).

Another highlight was our increased involvement in impact investing. We joined the German Impact Investing Initiative (BIII), a network of leading impact investors in Germany, and participated in various events and initiatives to promote and advance the impact investing ecosystem.

As a people-driven organization, we also invested in enhancing our human capital and fostering a culture of diversity and inclusion. In 2023, we appointed Kerstin Hübsch as our Chief Human Resources Officer (CHRO) and a member of our Management Board. She oversees all aspects of our human resources strategy and operations and brings extensive experience and expertise in employee engagement, diversity and inclusion, talent development, and organizational culture.

These achievements reflect our vision to be a trusted partner for our clients, providing them with sustainable and attractive returns, while also contributing to the positive transformation of our society and environment.

Looking ahead, we are confident that sustainability will remain a key driver of our growth and innovation in 2024 and beyond. We have set ourselves ambitious goals and targets to further improve our environmental, social, and governance performance, as well as to enhance our reporting and disclosure practices. We will also continue to engage with our stakeholders and collaborate with our peers and industry associations to advance the sustainability agenda in our sector and beyond.

We hope that you find this report informative, and we welcome your feedback and suggestions. Thank you for your continued support and trust in Prime Capital.

About us

Who we are

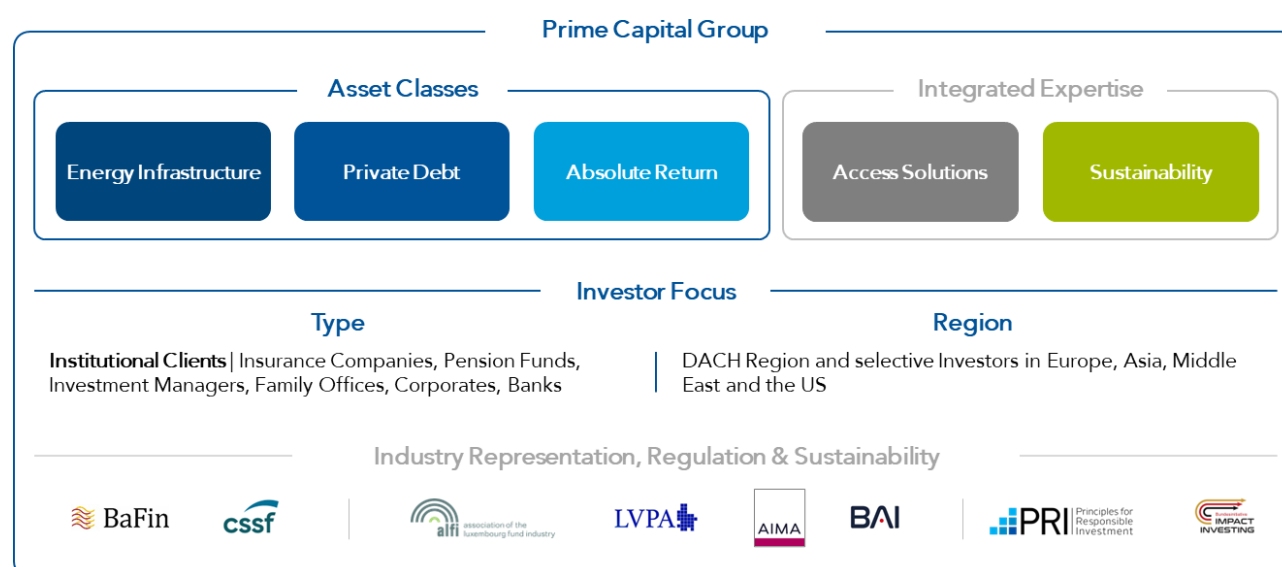
Prime Capital AG is an independent asset management firm and financial services provider, owned by management and employees. The company takes a holistic, cross-divisional approach and specializes in Alternative Investments, in particular in Absolute Return, Infrastructure including Renewable Energies, and Private Debt. Furthermore, the company offers Access Solutions. Prime Capital was founded in 2006, currently employs 127 people in Frankfurt and Luxembourg and is regulated by BaFin and CSSF. Our vision is to be recognized as one of the leading Alternative Asset specialists in continental Europe – focused on results.

2006
Founded

EUR 4.4bn
Assets under Management

EUR 8.6bn
Assets under Administration

125+
Employees



Prime Capital at a glance, December 2023

Our investment strategies and services are categorized into the following business lines:

Energy Infrastructure

The Energy Infrastructure business line includes the sourcing and execution of investments in various jurisdictions and different technologies in the areas of infrastructure and renewables. Within the asset class, investors can invest in various sub-segments, each with different risks and value drivers. For over a decade, we have been active in renewable energy investments and the greenfield segment. We have established a strong track record in particular for complex and tailor-made energy infrastructure projects.

Private Debt

Private Debt includes senior, mezzanine and other debt financing. Prime Capital generally divides the private debt market into the sectors of infrastructure, real estate and other secured loan classes. Institutional investors who wish to invest in private debt can do so with Prime Capital via individual mandates, funds or securitization vehicles in private debt strategies with different risk profiles. As part of our distinctive investment model, we tap into independent, multi-channel sourcing, with excellent and longstanding relationships to sponsors, complemented by selected banks and advisors. We enjoy an exclusive partnership with market-leading banks.

Absolute Return

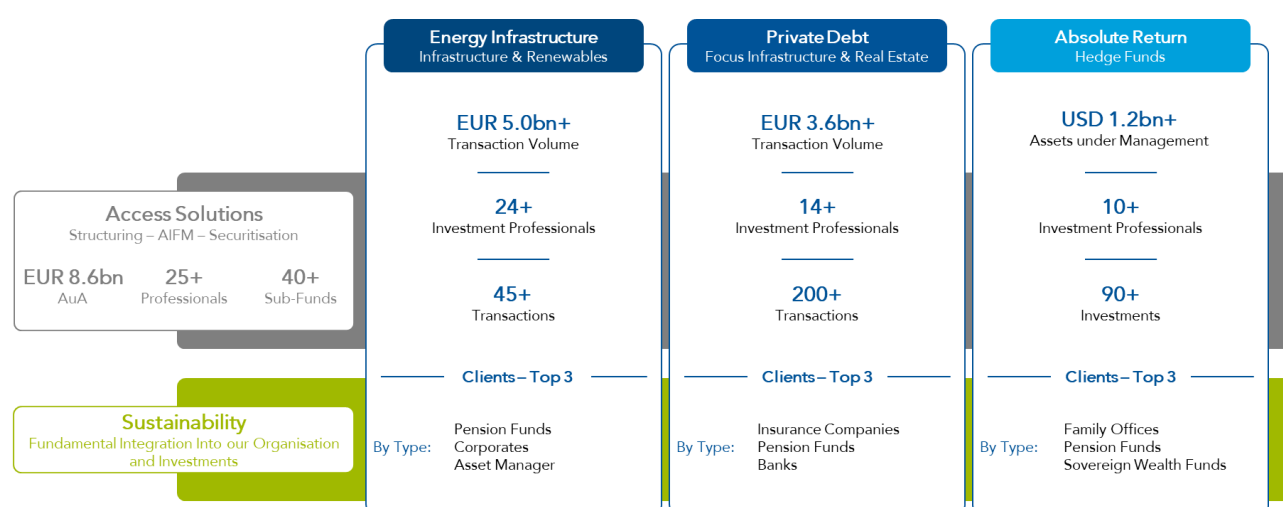
The Absolute Return business line focuses on funds of hedge funds. The primary objective of the investment philosophy is to generate returns independently of traditional asset classes and to preserve the value of the investments. This includes selecting the best managers and monitoring them on an ongoing basis. Our highly experienced investment team has one of the industry's best long-term track records. Our senior portfolio managers have more than 20 years' experience each in managing hedge fund portfolios. We are process-driven investors, and place great emphasis on investment and operational due diligence, which is conducted by separate, independent in-house teams.

Access Solutions

Prime Capital's Access Solutions division offers a comprehensive infrastructure and associated specialized services for institutional clients. The platforms, which cover all relevant administrative tasks, provide clients with a transparent environment for the entire portfolio that is monitored by Prime Capital. The company also offers services in the areas of risk measurement, analysis, management and reporting.

Clients receive both customized and standardized platform solutions. These include regulated and unregulated corporate and partnership fund structures as well as securitization structures in Luxembourg. Due to our team's deep expertise in private markets, valuation, legal and structuring, we are able to cater to the different requirements of our third-party investment managers in order to realize and implement their desired alternative investment strategies.

As we offer both investment strategies and services, our stakeholders are diverse. We are at home in Europe, and service clients globally across Pension Funds, Insurance Companies, Corporates, Family Offices and other institutions.



Prime Capital business lines, December 2023

Prime Capital's mission statements are centered around our trust, responsibility, transparency and dedication:

- ❖ Our mission as an Alternative Asset Specialist is to provide our investors with value-added investment opportunities that enable optimal diversification
- ❖ As a responsible asset manager, we are committed to sustainable investing and consider ESG factors in our investment process
- ❖ We place great importance on transparency, excellence, integrity, and responsible conduct to earn the trust of our clients and build long-term partnerships
- ❖ This also applies to our employees, who contribute to our shared success with their knowledge and dedication

Leadership

70% of the share capital of Prime Capital AG was acquired in November 2020 by Prime Partners GmbH ('PPG'). The share capital of PPG is held by members of the Management Board and senior employees of Prime Capital. The remaining 30% is owned by Mr. Wolfgang Stolz, founder and Head of the Supervisory Board of Prime Capital.

The Supervisory Board comprises three members—Wolfgang Stolz as chairman, Dr. Horst Goss, and Dr. Michael Drill. The members advise and supervise the Management Board, provide input in steering the company's strategic direction and fulfill relevant legally required duties.

25% of our BoD
members are women



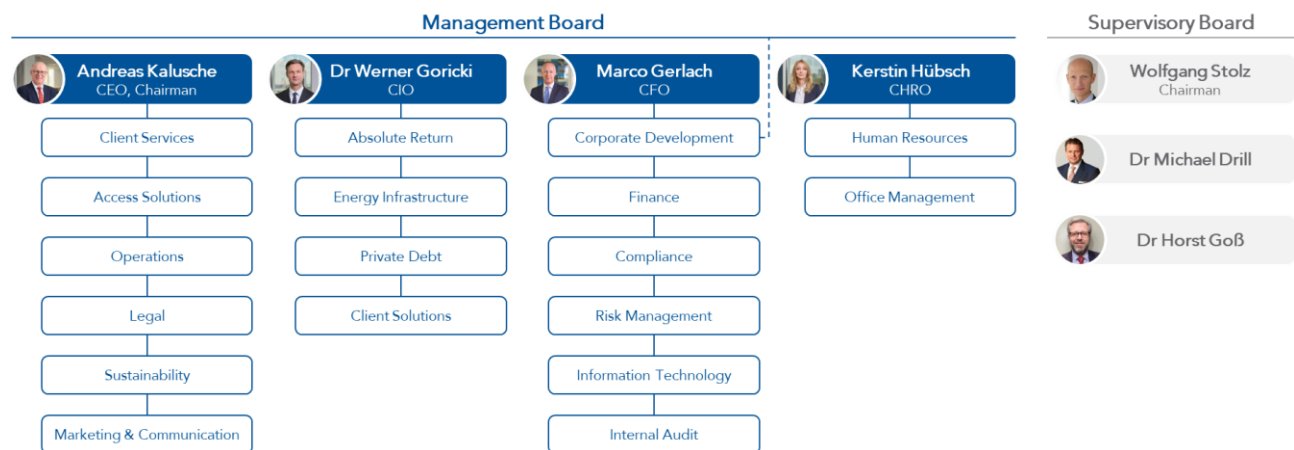
The Management Board, led by Andreas Kalusche as CEO, Dr. Werner Goricki as CIO, Marco Gerlach as CFO, and Kerstin Hübsch as CHRO, manages and directs the company's day-to-day operations. Each member is responsible for distinct departments, as shown in the figure below, and involved in implementing Prime Capital's sustainability strategy.

Andreas Kalusche, who joined Prime Capital in 2014, has been involved in the set-up of Prime Capital's Sustainability Team in 2018 and represents the Team at board level. He ensures the integration of the sustainability strategy into the broader company strategic plan.

Marco Gerlach, who has been with the company since 2009, was Prime Capital's first Head of Sustainability. In his role overseeing Prime Capital's Compliance, Risk Management and Finance departments, he is essential in implementing measures to uphold Prime Capital's high Governance standards.

Dr. Werner Goricki joined Prime Capital in 2007 and as Chief Investment Officer launched Prime Capital's renewable energy business in 2012. With the expansion of Prime Capital's real asset business lines came the first sustainability-themed products and the integration of sustainability topics into the investment strategies.

Kerstin Hübsch, who joined Prime Capital in 2019, is the company's Chief Human Resources Officer and newest board member. Her appointment reflects Prime Capital's dedication to its workforce and reputation as an attractive and modern employer. She is responsible for the interaction between corporate strategy and attracting, retaining and developing talent, integrating Prime Capital's diversity and equal opportunity goals.

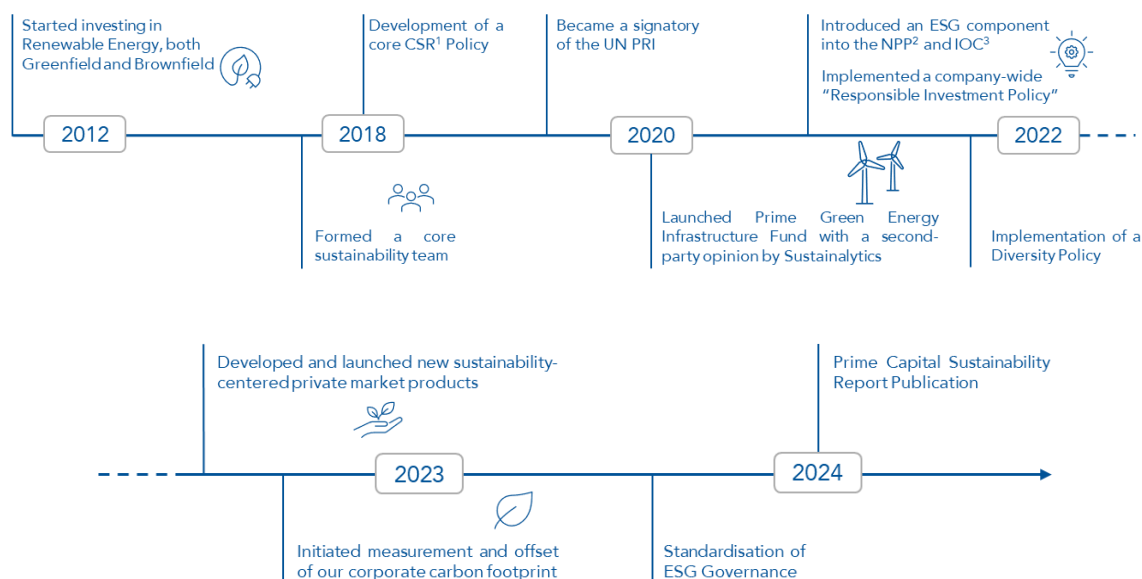


Prime Capital organizational chart, December 2023

Sustainability at Prime Capital

Our ESG Journey

Prime Capital formally incorporated sustainability into its business operations in 2018. This integration began with the formation of a core Sustainability Team and a dedicated Sustainability Committee with the purpose of allocating and overseeing accountability for sustainability-related topics within the company. These initiatives, along with the development of our Corporate Social Responsibility (CSR) policy, laid the groundwork for a more comprehensive integration of sustainability-related matters across our operations. Since then, Prime Capital has continually evolved its sustainability strategy, achieving significant milestones as depicted in the figure below.



¹CSR = Corporate Social Responsibility; ²NPP = New Product Process; ³IOC = Investment Oversight Committee

Prime Capital's ESG milestones

Leveraging our experience with regards to investment in renewable energy since 2012, we launched our first infrastructure equity product, the 'Prime Green Energy Infrastructure Fund', with a dedicated sustainability strategy in 2020. The strategy of the fund was reviewed by Sustainalytics to demonstrate the robustness of our commitment towards sustainability. This product was then followed by the launch of additional funds, including debt and equity products, covering both environmental and social issues. By diversifying our product offering through multiple asset classes and strategies, we can attract a wide range of investors willing to positively contribute to society.

In 2020, by becoming a signatory of the UN PRI (United Nations Principles for Responsible Investment), we publicly showcased our dedication to responsible investment practices and our contribution to a more sustainable financial system. Leveraging the UNPRI reporting results helps us reinforce the integration of sustainability topics into our operations. Our ongoing commitment is to create a positive and sustainable impact across our diverse asset classes and business lines.

Prime Capital is actively involved in industry associations and initiatives such as the BAI (Bundesverband Alternative Investments) and the Bill (Bundesinitiative Impact Investing). Within these associations, we contribute to working groups that promote the development of ESG (Environmental, Social, and Governance) practices across our industries. Our goal is to foster a shared understanding of the challenges and opportunities related to sustainability within the alternative investment and financial sectors.

Over the years, we have undertaken multiple CSR projects, such as the assessment of our corporate carbon footprint, becoming a signatory of the diversity charter (Charta der Vielfalt) and of the CFA Asset Manager code of conduct. These projects aim at strengthening the integration of CSR components in our daily operations.

Signatory of:



Development in 2023

"In 2023, we expanded our sustainability-focused products and deepened our expertise by entering the impact investing ecosystem. Our renewable energy assets consistently supplied clean energy, reinforcing our commitment to the energy transition."

Janna Brokmann, Head of Sustainability

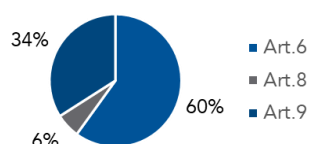


Several milestones have been achieved in 2023. By joining the BIII, we are broadening the spectrum of our sustainability expertise by gaining insight into the impact investment ecosystem. Besides our active participation in working groups, we also developed a three-part webinar series to enable a broader audience in the financial sector to gain knowledge on the topic of impact investing.

2023 has also seen the launch and increased fundraising efforts of multiple sustainability-centered financial products in our Real Asset business lines. This included the second fund of our Prime Green Energy Infrastructure fund series which targets investments in greenfield renewable energy projects with a focus on wind and solar as well as green hydrogen and its derivatives. The fund is classified as Article 9 (sustainable investment objective) under the EU's Sustainable Finance Disclosure Regulation (SFDR) and contributes to the Sustainable Development Goal (SDG) 7 'Affordable and Clean Energy'.

Additionally, we launched our Prime Sustainable Infrastructure Debt Fund, which targets diversified European infrastructure debt assets in the mid-market segment, with a focus on Renewable Energy, Social Infrastructure, and Digital Infrastructure. The fund is classified as Article 8 under the SFDR, targeting sustainable investments that contribute to decarbonization, energy efficiency and increased access to inclusive and modern infrastructure.

SFDR Funds' Classification



In 2023, we increased the share of assets managed in funds categorized as Article 8 and Article 9 under SFDR. At the end of 2023, they made up 40% of assets in our SFDR-regulated funds. Notably, most of these assets fell under Article 9, accounting for 34%. These funds adhere to well-defined sustainability strategies and provide our investors with comprehensive disclosures related to sustainability. As we continue to prioritize ESG considerations, this upward trend underscores our commitment to responsible investing.

In 2023 our managed renewable energy portfolio encompassed 1.6 GW of installed wind and solar capacity. Furthermore, we were involved in the financing of another 2.9 GW of installed capacity. From this installed capacity, our managed renewable energy assets produced 2.3 TWh of green energy. Additionally, our financed assets yielded another 1.9 TWh of renewable energy. Combined, our portfolio's electricity was equivalent to supplying more than 1,000,000 households with clean energy.

4.2 TWh of renewable
electricity produced



4.5 GW of renewable
electricity installed



>1,000,000
Households supplied



Finally, 2023 saw the expansion of our core Sustainability Team with the addition of another full-time position. This aims to support the internal and external development of Prime Capital's sustainability strategy.

Materiality Assessment

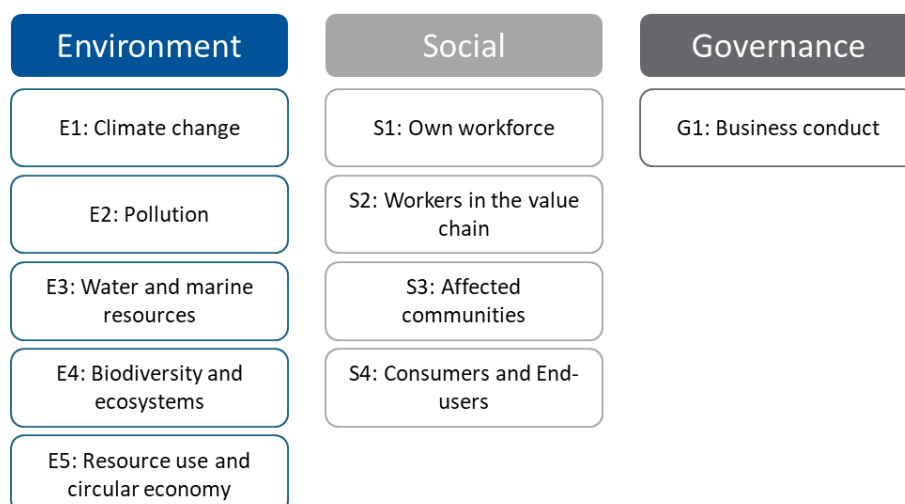
Introduction

The preparation of a sustainability report requires understanding what the most material sustainability-related matters are for Prime Capital. This assessment forms the cornerstone of the report, as it determines its content, and ultimately drives the aim of this report. Sustainability matters can be material to a company by being relevant from a financial perspective (i.e. sustainability topics posing a financial risk or a business opportunity) or a topic is relevant because the company can have a large impact on this topic. The following section provides a description of the processes we used to identify and assess the sustainability matters that are material for Prime Capital.

Methodology

The reporting year 2023 coincides with the publication of the European Sustainability Reporting Standards (ESRS). The ESRS are a set of detailed reporting standards introduced as part of the Corporate Sustainability Reporting Directive (CSRD). The CSRD has significantly transformed the sustainability reporting landscape by expanding the scope and depth of sustainability reporting requirements. It builds upon its predecessor, the Non-Financial Reporting Directive (NFRD) and extends the obligations to a broader range of companies and more standardized disclosure standards. These standards aim to enhance transparency and comparability of sustainability information, thereby providing stakeholders with more reliable and relevant data to assess corporate sustainability performance.

To incorporate these wide-reaching new reporting standards, Prime Capital used key components of the ESRS to guide its materiality analysis. This includes a list of sustainability-related topics which form the basis of the materiality analysis. The following ten sustainability categories are defined by the ESRS and used to identify material sustainability matters going forward.



Sustainability categories, European Sustainability Reporting Standards (ESRS)

To gain a company-wide picture of material sustainability topics at Prime Capital, the analysis was performed with the assistance of the Sustainability Committee. Each member of the Sustainability Committee conducted a materiality assessment based on their business unit's perspective.

The assessment consisted in two main steps:

1 Identification of Stakeholders: Each representative from the business units was tasked with identifying the most relevant stakeholders for their respective areas. This includes stakeholders with which they interact directly in their daily operations, or who could be indirectly affected by the impact of the business units' operations. Once identified, they proceeded to the next step, considering these selected stakeholders.

2 Prioritization of ESG Topics: For each stakeholder identified as relevant for a business unit, the business unit's representative consulted within its team to assess which of the ten ESG categories are material to the stakeholder. Once the identification of material topics was completed, business units' representatives were asked to rank relevant topics according to the impact and financial materiality that each category represents.

Outcome

The outcome of the materiality assessment is two-sided as it contributed to identifying our key stakeholders, as well as key ESG topics to our operations.

After identifying our key stakeholders, we clustered them into four main categories: Top Management, Employees, Regulator, and Investors/ Clients. Top Management refers to the Supervisory Board and Management Board. Employees represent all Prime Capital own workforce. Regulator includes financial sector regulating entities, as well as other regulating entities whose activities can have an impact on our operations (e.g. national environmental regulations). Lastly, Investors/ Clients include investors in our funds and strategies, project partners, investees, and other business partners with whom we have a direct business relationship.

Top Management	Employees	Regulator	Investors/Clients
<ul style="list-style-type: none"> Supervisory Board Management Board 	<ul style="list-style-type: none"> Own workforce 	<ul style="list-style-type: none"> BaFin/CSSF EU Regulator Other regulating entities 	<ul style="list-style-type: none"> Investors Project sponsors Business partners

Prime Capital's key stakeholders

Most of our business units identified the governance category 'Business Conduct' as the most material sustainability topic their business and their stakeholders. Following governance, the two most relevant categories were the social topics 'Own Workforce' and 'Consumers and End-Users'. From the environmental categories 'Climate Change' was considered most relevant.

As the next step, the Sustainability Team examined the outcomes of the initial analysis. The review aimed to assess whether the identified sustainability issues were pertinent from the perspectives of financial risk, opportunity, or impact, and whether they were relevant to Prime Capital from a corporate or an investment standpoint. This review process ensured the integration of the double materiality concept from the ESRS framework into our materiality analysis. According to the double materiality principle, sustainability issues must be considered both in terms of their potential impact on the company (financial materiality, leading to financial risks or opportunities) and the company's impact on sustainability topics, including effects on people and the environment (impact materiality).

As in the initial analysis, the governance topic was assessed as the overall most material sustainability topic. This highlights the importance of having strong governance structures in place to ensure the sustainability of our operations. Business conduct is also highly relevant to our main stakeholder groups, especially to financial supervisory authorities and other regulating entities as well as our clients and business partners. Subcomponents such as corporate culture and corruption and bribery are the most material, as they could translate into severe impacts and significant financial risks if mismanaged, including reputational risks, regulatory risks and legal costs.

In the ESRS categories related to environmental topics, we identified 'Climate Change' as being the topic most material to us, more specifically the subcomponents climate change adaptation and climate change mitigation. Being an alternative asset manager focused on real assets, we are exposed to the impact of climate change on the assets in our portfolio. These impacts could for example lead to asset depreciation or damages, that would translate climate change impacts into financial risk if risk consideration and mitigating measures are not in place.

Climate change can also present an opportunity in our real assets business lines. Specifically, infrastructure and real estate projects can create positive impact for climate change mitigation and adaptation while creating stable and long-term returns for our investors.

Our stakeholders also place high value on climate change related information on company level. Therefore, although the direct carbon footprint of our operations is low, as a systemic issue we need to consider climate change in our operational decisions.

While our portfolio activities do touch on the 'Biodiversity and Ecosystems' and 'Resource Use and Circular Economy' ESRS topics, the exposure is limited to specific projects, typically regulated, and the scope of the impact is deemed low. Therefore we did not regard these topics as material to us although they are frequently considered through our ESG risk assessment.





In our review of social categories, we identified our 'Own Workforce' and 'Consumers and End-Users' as the most significant topics from both financial and impact perspectives. As a company in the financial services sector, our workforce is our most valuable resource. Avoiding turnover and prioritizing hiring top talent is crucial, as negative developments in these areas could have substantial consequences for the company. Employee retention and training

are essential tools to mitigate costs and reputational risks associated with employee turnover, ultimately driving the success of the company.

Consumers and end-users are key drivers of our operations and development. For this reason, any negative development could also have strong effects on our business operations and on our company. Effective communication and high disclosure standards can preserve client relationships and maintain Prime Capital's reputation as a trusted partner. Although part of the social categories mitigating measures are often linked to strong governance frameworks and the topic will thus be addressed in our governance section.

The remaining categories: 'Workers in the Value Chain' and 'Affected Communities' can play a part in risk assessments for some ESG-centered products. Overall, they are not considered material to our operations in general, given our low exposure to financial risk and mainly indirect influence on negative impact on these groups.

Based on the outcomes of the materiality assessment, the table below shows Prime Capital's sustainability priorities

Category		Topic	Company	Portfolio
Environmental		Climate Change	x	x
Social		Own Workforce	x	
		Consumers & End-users	x	x
Governance		Business Conduct	x	x

Sustainability categories material to Prime Capital

The following chapters of our sustainability report detail how Prime Capital identifies and mitigates impacts and risks from these sustainability topics and how we leverage opportunities for our business model. The next section focuses on sustainability in our operations (Corporate Sustainability) while the last section describes how we take sustainability into account in the portfolios we manage (Portfolio Sustainability).

Corporate Sustainability

In this section of our Sustainability Report, Prime Capital outlines its efforts to recognize, address, and capitalize on sustainability issues relevant to its operations. As analyzed in our materiality assessment, these topics encompass 'Climate Change' (environmental), 'Own Workforce' and 'Consumers & End-users' (social), and 'Business Conduct' (governance).

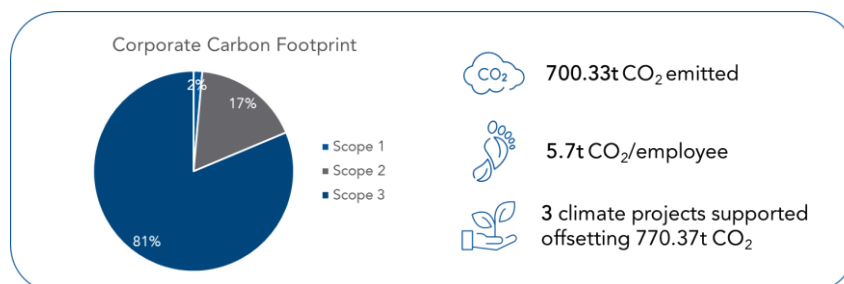
Environment

Given our role as an asset manager, our direct environmental footprint stemming from our operational activities remains relatively limited. The impact associated with our investments will be explored in the subsequent chapter. Nevertheless, as a responsible investor we want to understand our corporate carbon footprint and develop strategies to reduce our operational Scope 1, 2 and 3 emissions.

Our Corporate Carbon Footprint

As part of our commitment to understanding our environmental impact, we calculate our Corporate Carbon Footprint (CCF). This calculation, based on the Greenhouse Gas Protocol and in collaboration with Climate-Partner—a climate protection solution provider—encompasses both our German headquarters and our branch and AIFM entity in Luxembourg. Our ongoing CCF measurement aligns with our firm-wide business objectives for 2023 and beyond. Essentially, the CCF quantifies the total greenhouse gas emissions, including carbon dioxide, generated by our organization.

In 2022, our corporate carbon footprint totaled 700.33 tons of CO₂, representing 5.7t of CO₂ per employee. Putting this value in perspective, in 2022 the average carbon emissions per capita in Germany amounted to 8t of CO₂¹. Our CCF in 2022 represents an increase compared to our calculations for 2020 and 2021, which were impacted by the Covid-19 restrictions. The data presented in this sustainability report specifically reflects the CCF for 2022. Due to delayed availability of data at the time of writing, we cannot provide the calculation for 2023 CCF yet. We will communicate the results for 2023 once the calculation is finalized.



Scope 1 & 2 emissions

The combined Scope 1 and 2 emissions in our offices located in Luxembourg and Frankfurt result from the use of air conditioning, heating, and electricity. These emissions amount to 162.5 tons of CO₂ equivalent, which constitutes approximately 23.2% of our direct emissions. The relatively low proportion of Scope 1 and 2 emissions within our Corporate Carbon Footprint (CCF) can be attributed to the nature of our business activities, as we operate in the service sector.

Beginning in 2022, we transitioned the electricity supply for our Luxembourg office to renewable sources. As for the Frankfurt office, which currently relies on a traditional energy mix, we are also planning to shift it to renewable sources. Additionally, the heating sources in these two offices differ: the Frankfurt office is heated using heating oil, while the Luxembourg office utilizes natural gas.

Due to our existing rental agreement, our influence over the heat source used in our building is limited. However, when it comes to electricity consumption, we are actively exploring the option of switching to renewable sources where possible and purchasing Green Electricity Certificates to cover the remaining electricity usage.

Scope 3 emissions

The majority of our Scope 3 emissions are associated with business trips, accounting for 370.8 tons of CO₂ equivalent, which represents 52.9% of our total corporate carbon footprint. This figure shows an increase compared to the 2021

¹ Source: <https://ourworldindata.org/per-capita-co2>

data, where it represented 107 tons of CO₂ equivalent or 22.3% of our CCF. The rise in emissions reflects the global economic recovery following the travel restrictions imposed during the Covid-19 pandemic.

Despite this increase, we firmly believe in the value of in-person meetings for developing and strengthening business relationships. Consequently, business trips will continue to play a central role in our corporate carbon footprint. To mitigate their impact, we actively encourage our employees to utilize public transportation whenever feasible.

Our emission reduction strategy

Measuring our Corporate Carbon Footprint serves as a crucial foundation for our climate protection strategy. It provides insights into the environmental impact of our operational business activities, enabling us to identify areas where we can reduce carbon emissions and promote sustainable practices. Armed with this data, we can establish company-specific reduction targets to be achieved within a defined timeframe. We acknowledge the significance of developing realistic and ambitious reduction goals.

In our commitment to climate protection, we actively pursue a variety of sustainability initiatives aimed at achieving our reduction targets. At present, we already obtain our energy from green sources for our Luxembourg offices and have partially switched at our headquarters in Frankfurt in 2023. Additionally, our Office Management has taken various measures to ensure sustainability is incorporated into day-to-day life, for instance, by minimizing paper usage and reducing electricity consumption. Moreover, we have created incentives for our employees to use public transport as opposed to cars for local commutes (by offering a Job ticket, which is fully covered by Prime Capital) and to take trains instead of planes for longer-distance travel. We are also revising our travel policy to reduce business travel and promote further sustainable transportation options.

At Prime Capital, we recognize that a portion of emissions remains unavoidable. Consequently, we address this by compensating for these emissions through external projects—a process commonly referred to as 'offsetting'. These climate protection projects contribute to achieving the UN Sustainable Development Goals (SDGs) by fostering sustainable solutions that benefit local communities and ecosystems.

Our carefully selected projects adhere to international standards such as the Gold Standard and VCS2². Furthermore, they undergo annual audits conducted by independent third parties. By actively supporting these initiatives, we not only mitigate the impact of climate change but also uphold our commitment to social and environmental responsibility. Details about these projects are publicly available through our partner Climate Partner.

We understand the significance of open and clear communication with both our internal team and external partners. Our commitment to sustainability involves regular measurement and reporting of our progress, ensuring continuous improvement and positive impact on the environment and society. As part of this effort, we have been certified by Climate Partner, which provides transparency of our climate action strategy, including carbon footprint, emissions reduction targets, implemented reductions, and financial contribution towards climate projects worldwide. Further information on our carbon footprint and engagement can be found on the Climate Partner portal³.

² For further information: <https://carbonoffsets.au/what-are-vcs-and-the-gold-standard/>

³ <https://climate-id.com/en-gb/SLBBTZ>

Social

“At Prime Capital, our employees are our most valuable asset. Our flat organizational structure and diverse international teams provide the foundation for a dynamic work atmosphere and a client-centric service approach.”

Kerstin Hübsch, CHRO



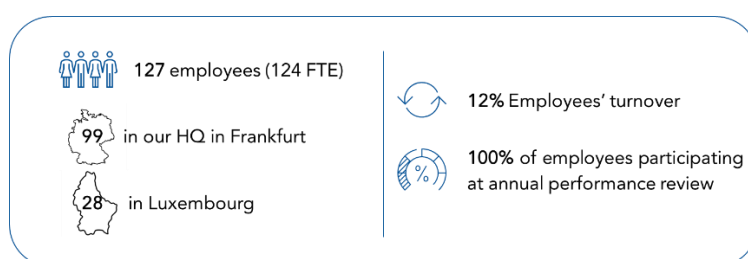
This section details Prime Capital's relationship to its own workforce with an emphasis on working conditions and equal treatment and opportunities. At Prime Capital, our employees are our most valuable resource. We foster an environment of teamwork, transparent communication, and mutual respect. Our flat organizational structure and diverse international teams provide the foundation for a dynamic work atmosphere and a client-centric service approach.

Own Workforce

Our goal is to create an appealing and varied working environment for all employees, emphasizing professional development. We actively encourage participation in both internal and external training programs for ongoing personal and career growth. During the annual appraisal process, we assess training needs and personal development objectives.

Prime Capital Group has implemented a Compensation Committee, which is composed of representatives of the company's management as well as the chairman of the Supervisory Board. The Committee is responsible for the design of the remuneration system throughout the group. This remuneration system ensures equitable compensation for all employees, based on their experience, education, capabilities, and performance—without regard to gender or other attributes. In addition to quantitative and qualitative criteria, ESG criteria are being considered as part of the risk and performance measurement. Prime Capital has started to define ESG-related objectives for the Management Board and will continue to apply them further in the organization. ESG-related targets are a fixed part of the yearly appraisal process for the core Sustainability Team as well as dedicated staff and team heads on the investment teams.

At Prime Capital, we prioritize the well-being and happiness of our workforce, recognizing their pivotal role in our stability and efficiency. To support this, we offer a range of additional benefits to our employees. These include flexible work hours, access to fitness programs, and other health-related perks. We understand that work-life balance and overall well-being are crucial for maintaining a robust and healthy organization.



Prime Capital's workforce, December 2023

Furthermore, Prime Capital values the fresh perspectives and contributions that young individuals bring to our company. As a result, we provide various opportunities, including internships, working student positions, and an apprenticeship program for aspiring office administrators. In 2023, 13 students worked for Prime Capital on average. During internal masterclasses, we invite all interns, working students, and young professionals within the company to an exchange session. During this session, a senior member of the company provides more insights on the department, the career path they followed, and insights on challenges faced in the daily business.

Our commitment extends to supporting women within the company through our Women's Networks and Events. In 2023, as part of the International Women's Day, all female employees at the Frankfurt and Luxembourg offices were invited to a joint lunchbreak to have an exchange of knowledge and experience regarding the challenges faced by women, career breaks, self-employment, the importance of languages etc.

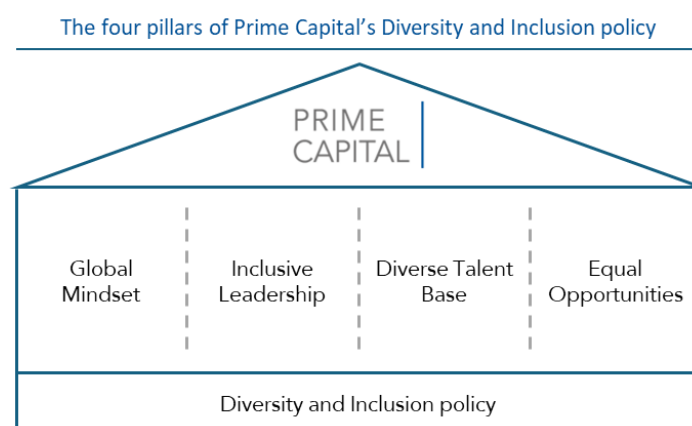
Feedback is essential to us. To ensure alignment between employees and management, we conduct annual performance reviews for every employee. Besides the annual performance review, we enable employees to anonymously give their feedback on any topic using our suggestions' boxes that are located in both our offices. The suggestions put in the box are collected by our HR team that reviews each of them. Additionally, our yearly employee survey critically evaluates our diversity and inclusion efforts, actively seeking optimization suggestions and ideas.

Diversity

Prime Capital is dedicated to fostering an inclusive and unbiased work environment that values talent based on merit, irrespective of gender, age, culture, nationality, ethnicity, physical ability, political or religious beliefs, sexual orientation, and other attributes. Our commitment extends to maintaining and, where necessary, enhancing our diversity and inclusivity to mirror the richness of our society and customer base.

In May 2021, we proudly signed the 'Diversity Charter,' an employer-led initiative aimed at promoting diversity within companies and institutions. The charter's goal is to recognize, appreciate, and integrate diversity into organizational culture across Germany. To date, more than 3,000 companies and institutions have joined this important initiative.

Furthermore, in May 2022, Prime Capital implemented a Diversity Policy, updated in June 2024. We view diversity and inclusion (D&I) as essential for our business, not merely a compliance requirement. Inclusion, for us, means actively involving, accepting, and appreciating all individuals in the workplace, regardless of their differences and social identities. Our workforce represents over 25 nations, spanning diverse ages, genders, and individual personalities. This rich diversity continually brings fresh perspectives, innovative approaches, and abundant opportunities. Despite our differences, our shared commitment to common goals unites us.



Global mindset

At Prime Capital Group we want to develop people with a global mindset, diverse cultural understanding, and international experience. This is to ensure that our organization stays agile and prepared for future growth. We aspire to provide exciting careers and opportunities for our employees. We strive to provide equal opportunities for development, addressing inclusive behavior, unconscious biases and cultural understanding. Further, we aim to integrate more options for early career mobility to accommodate the personal life choices of our employees; and we apply inclusive senior leadership role models to mentor and help accelerate the development of diverse high-profile talents.

Inclusive leadership

Inclusion is a powerful multiplier of innovation and growth that drives creativity and inspiration. At Prime Capital Group, we are committed to inclusive leadership where our leaders ensure that our people are empowered to be their best, professionally and personally. Amongst others we will integrate core elements like unconscious bias and inclusive leadership into our leadership development offerings and leadership framework, we will promote inclusive leadership role models, and in general hire for inclusive behavior.

Diverse Talent Base

We want to attract, develop and retain people with different perspectives, experience and backgrounds to support us in our strategic goals. Our focus on D&I is in this sense a necessary action for access to a wider and more diverse talent pool. To enforce, communicate and share our inclusive culture and work environment, we will promote D&I via our Prime Capital Group employer brand and its associated activities. Also, D&I is a natural element of any recruitment, hiring or selection activity in any of Prime Capital Group's organizations. Our approach to D&I must be visible e.g. in all job ads

posted, in our selection criteria, position short listings and employer branding activities. Further we seek to leverage existing and new technology to de-bias job descriptions, screening and decision-making processes. Both HR professionals and team heads are trained in unconscious bias to curtail biased decisions and recommendations of candidates, and we require diversity in our appointment panels and ultimately in our balanced recruitment.

Equal Opportunities

Prime Capital Group aims to create equal access to opportunity regardless of social identity. Only by acknowledging and harvesting from different perspectives and experiences, we will gain competitive advantage and leverage the effect of diversity for business growth. This requires a focus on equal opportunity throughout the organization. Prime Capital Group seeks to ensure all employees are paid fairly based on the experience and education for their role, their capabilities and their performance; gender and other attributes do not play a role. Amongst others we will review opportunities to establish workplace policies, supporting a work environment with equal opportunities.



Prime Capital's workforce diversity, December 2023

Anti-harassment

Prime Capital Group is committed to providing a safe environment for all its employees free from discrimination on any ground and from harassment at work including sexual harassment. Prime Capital Group will not tolerate unlawful discrimination or harassment of any kind. Through enforcement of our anti-harassment policy and by education of employees, Prime Capital Group will seek to prevent, correct and discipline behavior that violates this policy.

All employees of Prime Capital Group, regardless of their positions, are covered by and are expected to comply with the policy and to take appropriate measures to ensure that prohibited conduct does not occur. Appropriate disciplinary action will be taken against any employee who violates the policy. Based on the seriousness of the offense, disciplinary action may include verbal or written reprimand, suspension, or termination of employment.

Managers and supervisors who knowingly allow or tolerate discrimination, harassment or retaliation, including the failure to immediately report such misconduct to Human Resources (HR), are in violation of the policy and subject to disciplinary action.

Governance

"Prime Capital has established a robust governance framework to address compliance risks and maintain its reputation as a reliable partner."

Marco Gerlach, CFO



Prime Capital, regulated by BaFin in Germany and CSSF in Luxembourg, has established a robust governance framework to address compliance risks and maintain its reputation as a reliable partner. Our business conduct, seen as the most material sustainability topic for both impact and financial risk in relation to most of our stakeholders, is underpinned by a code of conduct, an independent compliance function as well as a set of manuals, policies and training requirements for all Prime Capital employees.

Corporate Culture

At Prime Capital, we place great importance on our reputation and the trust our clients have in us. Upholding professionalism and ethical conduct are crucial for maintaining this trust. As part of our commitment, Prime Capital has adopted the CFA Institute's 'Asset Manager Code', which serves as our documented code of ethics and professional behavior. You can find the most up-to-date version of the Code on the CFA Institute's website⁴.

The CFA Asset Manager Code specifies the ethical and professional duties of firms managing client assets. It represents the essential ethical values fundamental to the investment management sector. Over 1,300 companies across 50 nations have adopted the Code to affirm their dedication to the highest ethical standards. By adopting and enforcing this code of conduct for our organization, we aim to demonstrate our commitment to ethical behavior and the protection of investor interests. The principles and provisions address six broad categories:

1. Act in a professional and ethical manner at all times.
2. Act for the benefit of clients.
3. Act with independence and objectivity.
4. Act with skill, competence, and diligence.
5. Communicated with clients in a timely and accurate manner.
6. Uphold the applicable rules governing capital markets.

The code of conduct informs our whole business model, from our investment process, through our risk management and compliance functions to our communication with clients and own disclosure standards.

Compliance

Prime Capital has implemented an independent compliance function and internal audit function, which both conduct regular audits. The Compliance Function is independent and separate from other functions and it performs its activities with objectivity and integrity.

The main duties of the compliance function are:

- anticipating, identifying, monitoring and, on a regular basis, assessing the compliance risks as well as the adequacy and effectiveness of the measures, policies and procedures put in place and the actions taken to address any deficiencies. These risks may include a variety of risks such as reputational risk, legal risk, litigation risk, as well as some operational risk aspects, in connection with all activities of the company. This task must be carried out on an ongoing basis and without delay.
- advising the relevant people responsible for carrying out services and activities and assisting them in complying with the obligations under the applicable law.

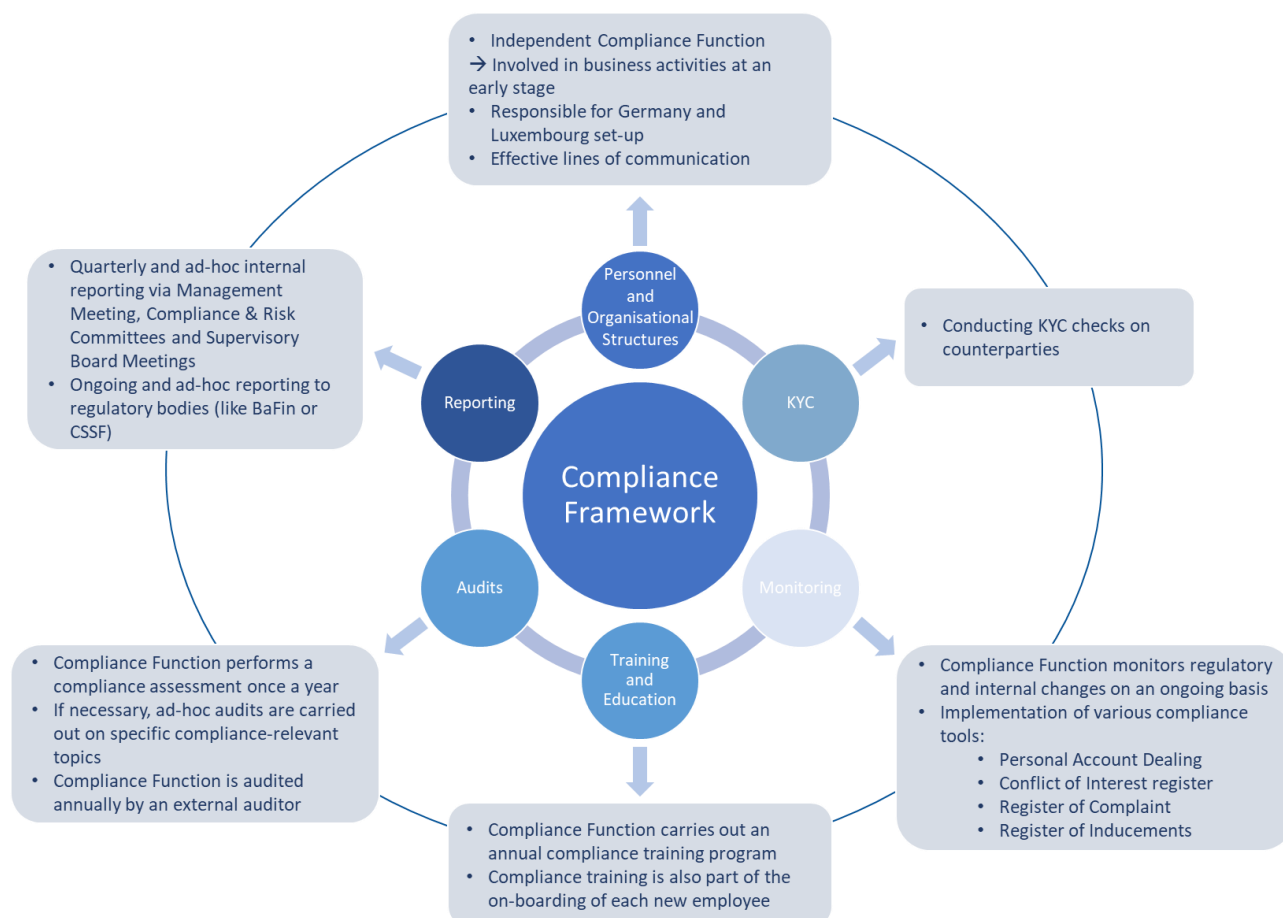
⁴ <https://rpc.cfainstitute.org/en/gips-standards/asset-manager-code>

- oversight and enforcement of all anti-money laundering requirements and sanctions monitoring at both, the company level and within the managed funds, in strict accordance with European law.

The Compliance Function is involved in all key business activities, has a right of initiative to open inquiries relating to all the activities of the company, and has direct access to any information which it considers necessary for the proper performance of its duties. Continual direct contact with the relevant departments is not only achieved through documentation but primarily through regular attendance at meetings, conversations and other key process steps.

The Compliance Function has the rights to intervene (e.g. veto right, immediate reporting right as a part of the escalation process) in any business activity where it has reason to believe that a breach of legal or regulatory requirements or of internal policies or standards may occur or has occurred.

The Compliance department is also a permanent member of the Investment Oversight Committee (IOC). The IOC acts as supervisory body that monitors and provides guidance to the underlying Investment Committees in their activities.



Prime Capital's compliance framework

Corruption and Bribery

As part of our commitment to ethical business practices, we will not tolerate acts of bribery or corruption. Prime Capital has an Anti-Bribery & Corruption policy in place which intends to ensure that Prime Capital personnel, and those acting on our behalf, behave in a manner that is consistent with anti-bribery and corruption laws in all countries in which Prime Capital does business. The correct handling of gifts and invitations is regulated in the Gifts & Entertainment Policy.

Over the years, we have developed a strong governance framework supported by various programs (e.g. regular Compliance Trainings) and controls (4-eyes principles in all procedures), to prevent, detect, deter and mitigate fraud. Furthermore, the Management monitors the operating functions and business segments with appropriate reporting. Moreover, Prime Capital has defined an escalation process on how to respond to fraud risks (informing Compliance function, Management Board or the regulatory authorities).

Protection of Whistleblowers

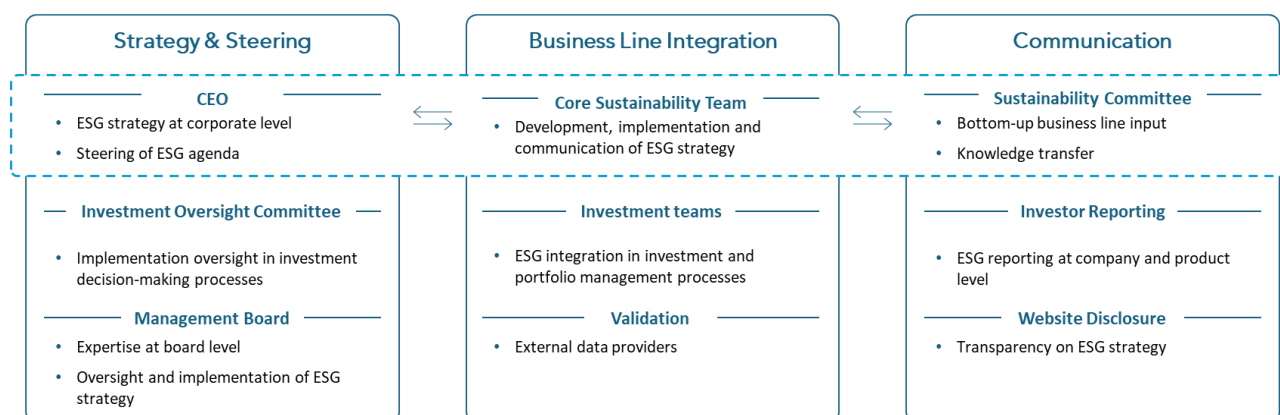
The employees of Prime Capital are encouraged to expose any kind of information or activity that is deemed illegal, unethical, or incorrect within the organization to the Compliance Function. An anonymous message can be transmitted at any time in writing by letter / internal mail. For this purpose, Prime Capital has established a process which allows employees, while maintaining the confidentiality, to report violations of company policy/ rules, laws as well as fraud and corruption. Information on this process is available to employees through Prime Capital's Whistleblower Policy.

Sustainability Governance

As an asset manager offering sustainability-themed investment products, our responsible investment approach is rooted in a holistic organizational governance structure that emphasizes the concept and optimization of long-term environmental, social, and economic values. We continuously review and enhance our strategies to remain current and reinforce our dedication to sustainable asset management over the long term. Within our corporate framework, this entails ongoing knowledge development, accessibility for key decision-makers, and fostering awareness across the entire organization.

At Management Board level, sustainability is championed by Andreas Kalusche, CEO of Prime Capital AG. The core Sustainability Team reports directly to the board on a bi-weekly basis, ensuring swift responses to sustainability issues and facilitating discussions on potential concerns. This team diligently monitors regulatory changes, serves as the primary point of contact for external initiatives, and provides guidance on utilizing external data and data providers. Additionally, Prime Capital has established a Sustainability Committee to bolster the core Sustainability Team. Comprising 18 representatives, one from each business line, the committee members act as sustainability ambassadors within their respective teams, with the overarching goal of disseminating knowledge throughout the organization. Monthly meetings of the Sustainability Committee further promote widespread sustainability awareness and integrate considerations from all business lines into ongoing sustainability projects.

The integration of sustainability in our business operations can be divided in three main categories:



Integration of sustainability into Prime Capital's organizational structure

The Management Board oversees the implementation of Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) initiatives from a strategic perspective. They validate the ESG strategic plan developed by the core Sustainability Team. Additionally, the Management Board ensures the integration of the proposed ESG strategic plan into the broader company strategy.

The Investment Oversight Committee, comprising various members including all Management Board members, our Chief Compliance Officer, and our Head of Sustainability, convenes quarterly to review decisions of the investment committees. The inclusion of a representative from the Sustainability Team ensures that potential ESG-related matters are escalated promptly, and necessary mitigating actions are taken when required.

On a day-to-day basis, the core Sustainability Team is responsible for integrating sustainability considerations into our operations. They propose key topics to the Management Board for addressing and develop an appropriate ESG strategy for implementation. Furthermore, the core Sustainability Team serves as the primary point of contact for each business line when they encounter ESG-related concerns. Their pivotal role contributes significantly to the seamless integration of sustainability principles throughout the company.

At the business line level, sustainability is embodied by the members of the Sustainability Committees within each business line. These committee members serve as the primary point of contact for all sustainability-related matters. Additionally, our investment teams actively participate in our sustainability journey by evaluating potential business opportunities. Depending on the asset class under consideration and the expected level of sustainability integration, each investment team conducts an ESG assessment of prospective investments. When relevant, we collaborate with external data providers for various purposes, including ESG ratings, news screening, and climate risk assessment. More detail on the integration of sustainability factors at product level can be found in the next section.

Effective communication and transparency about our ESG strategy and mission is crucial for both our organization and our stakeholders. In addition to meeting regulatory disclosure requirements, we actively engage with our stakeholders.

Our investor different investor reports allow us to demonstrate the impact of our investments across different business lines to our investors.

Lastly, this sustainability report serves as a vital document, providing deeper insights into how we integrate ESG considerations into our operations and highlighting our initiatives on sustainability-related topics.



Prime Capital policies and investor reports

Portfolio Sustainability

"Our investment products are not only a source of stable and long-term returns but also create an opportunity for climate-conscious investors to create positive impact through their investment decisions."

Werner Goricki, CIO



In this section of our Sustainability Report, Prime Capital outlines its efforts to recognize, address, and capitalize on sustainability considerations relevant to our investment products. As analyzed in our materiality assessment, these topics encompass 'Climate Change' (environmental), 'Consumers & End-users' (social), and 'Business Conduct' (governance).

Sustainability in the Investment Process

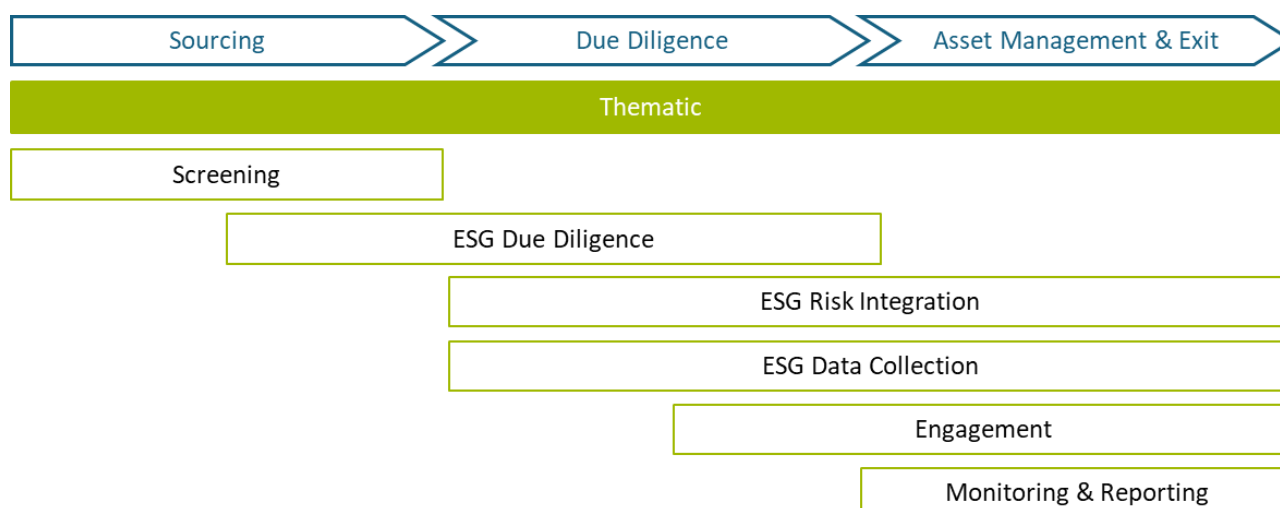
As an alternative investment manager, our primary focus is on creating long-term value for our clients while also positively impacting the environment and society. As outlined in our mission statement, we are committed to responsible investing, ensuring sustainable value for all stakeholders. To achieve this, we maintain transparency and effectiveness by adhering to internal guidelines, policies, and processes.

Our investment portfolio's diverse asset classes expose us to a wide range of sustainability topics in our day-to-day operations. The extent of this exposure varies based on the unique characteristics of each asset class. As shown during our materiality analysis, these characteristics can be linked to the material categories climate change, business conduct, or investors. Where investor information and communication are vital across all our business lines, some sustainability-related topics are only relevant for specific asset-classes or themed products.

For instance, when integrating ESG characteristics and criteria into our Absolute Return business line, we primarily focus on business conduct and good governance practices of the managers we invest in, as these are factors presenting the higher potential impacts on our investments. These considerations play a significant role during the selection process for managers, which is why they are integrated in our due diligence processes through our in-house operational due diligence (ODD) and are central to our investment decision making process.

In contrast, our investment portfolio geared towards real assets in our Energy Infrastructure and Private Debt business lines also incorporates climate change matters next to governance considerations. Such investments can play a pivotal role in supporting the energy transition. On the other hand, as large infrastructure projects, they may also be exposed to climate risks. In different phases of the investment process, we integrate environmental factors, including assessing environmental impact and evaluating climate change-related risks.

Sustainability considerations are integrated differently in the different stages of the investment process. Depending on the sustainability-characteristics of the investment product, this can range from thematic screening or application of exclusion lists in the Sourcing phase, in depth analysis of ESG risks and impacts in the Due Diligence phase, collection of ESG data, monitoring and reporting of sustainability-topics and targeted engagements during the Asset Management and Exit phases. The process can involve sustainability ambassadors from investment teams, our in-house Sustainability Team, external data and assessments and decision-making bodies such as the Investment Committee. Sustainability-themed investment products will have a set of procedures outlined in a product-specific ESG policy or Environmental and Social Management System, that aligns all processes along the investment cycle with the specific environmental theme (e.g. climate change).



Example of ESG integration strategies in Prime Capital's investment processes

Integration of Sustainability Risks

We recognize that ESG risks can have a material impact on the value and sustainability of our alternative investment portfolio. As long-term investors, we seek to capture the opportunities and mitigate the challenges posed by environmental, social, and governance factors across our asset classes. For example, environmental risks can affect the availability and cost of resources, the regulatory environment, and the physical exposure of our assets to climate change. Social risks can influence stakeholder relations, and governance risks can impact the transparency, accountability, and ethics of our partners and managers. Therefore, we incorporate ESG risks into our due diligence, monitoring, and reporting processes, applying appropriate criteria and indicators for each investment.

In our Absolute Return business line, sustainability risks are considered in the investment process through a standardized scoring approach of the selected strategy and manager using a questionnaire. The questionnaire covers environmental, social, and governance aspects at the company level as well as ESG questions at the portfolio and investment level. Additionally, ESG risks are also a vital part of our in-house ODD process and desktop research of the investment team. The process includes desktop reviews, background checks and on-site visits. Specifically risks resulting from inadequate governance structures and operational set-up are targeted by this review. This includes the topics identified in our materiality assessment on portfolio level, corruption and bribery and information-related impacts. Results are presented to the Investment Committee and are part of the investment decision.

In our Real Assets business lines, sustainability risks are integrated into our investment process through the development of an ESG risk scoring approach, which is included in the overall risk assessment of our investments. Initially, our investment team conducts an assessment during the due diligence process. When evaluating exposure to ESG risks, we consider the asset's nature and the associated time horizon. This enables us to assess the materiality of risks, including climate-related risks specific to each investment.

Each asset is assessed along five main categories (Climate Transitional, Climate Physical, Environmental Non-Climate, Social and Governance) and a total of 17 sub-categories (see figure below). The sub-categories have been chosen to reflect industry standards such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) and include all sustainability topics identified as material in our overall materiality assessment on portfolio level.

The assessment takes into account the asset type, location as well as planned mitigating measures and arrives at a materiality score between 1 (irrelevant to the asset) and 5 (highly relevant to the asset) for each sub-category. The assessment is carried out by the Investment Manager during the due diligence phase of the investment process and the results are presented to the investment committee where they inform the investment decision. If risks are flagged as 'neutral' or 'relevant to the investment value' (scores 3-5), they are monitored regularly.

ESG Risk Materiality Assessment

Climate transitional	Climate physical	Environmental non-climate	Social	Governance
Policy and Legal initiatives	Event driven climate risks	Water & wastewater management	Damage to local communities	Implementation of strategy
Market & reputational risk		Waste & hazardous materials management	Insufficient labor practices	Insufficient board independence
Technological improvements	Longer-term shifts in climate patterns	Ecological impacts	Limited access & affordability	Ownership concentration
		Mismanagement of lifecycle impacts	Damage to health & safety	Bribery, corruption or political lobbying

Sustainability categories assessed in Prime Capital's ESG Risk Materiality Assessment

Climate-related Risks

Our materiality assessment has identified Climate Change as the most material environmental topic to our portfolio activities. This includes climate-related financial risks and opportunities. For climate-related risks, we use the TCFD's definition of two major risk categories, transition risks and physical risks. Transition risks are related to the transition to a lower-carbon economy and include risks from policy, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations. Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for organizations, such as direct damage to assets and indirect impacts from supply chain disruption.

Climate change considerations vary in importance across our different business lines when making investment decisions. Where in our Absolute Return business line we challenge the selected managers on their climate change integration policy through questionnaires, for our direct investments in real assets, the topic plays a more integrated role. Real assets and their cash-flows are more directly exposed to climate-related risks both through transitional effects, such as revised policies, and physical effects which could lead to underperforming or damaged assets. For this reason, our ESG risk assessment for real assets as described above, includes all TCFD categories relating to transitional and physical climate risks.

Given that physical climate risks can significantly impact our real asset investments, we focus on location-based assessments. Analyzing these assessments provides a comprehensive view of our assets' exposure to climate risks and helps us understand the extent to which climate change could materially impact our assets. In this assessment we rely on external data. Depending on the asset and identified materiality of climate risks, this can include open-source climate models, project specific due diligence reports (such as technical due diligence or specific external climate vulnerability analysis) and location-based climate risk modeling tools.

For EU-Taxonomy aligned assets, we align the assessment with Taxonomy requirements. We perform a robust climate risk and vulnerability analysis which is proportionate to the scale of the activity and the expected lifespan. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis. For non-EU Taxonomy aligned assets, we strive to perform a similarly detailed analysis.

When performing climate risk assessment, we consider the short-term horizon to be the next three years, the medium-term horizon to be the next five to ten years, and the long-term horizon to be beyond 2030. These horizons reflect our investment strategy, which aims to create long-term value through sustainable infrastructure projects.

Some of the climate-related issues that we have identified for each time horizon are:

- Short-term: increased regulatory pressure and disclosure requirements on climate-related risks and opportunities, especially in the EU; increased exposure to extreme weather events and natural disasters that could disrupt the operation and maintenance of our assets.
- Medium-term: increased competition and innovation in the renewable energy sector; higher standards and expectations from investors, clients, and stakeholders on environmental and social performance; increased physical risks due to changes in temperature, precipitation, and sea level rise.

- Long-term: increased resilience and adaptation of our assets to chronic and acute physical risks; creation of positive social and environmental impacts through our investments.

Climate-related Opportunities

For over a decade, Prime Capital has been active as an asset manager in infrastructure investments. Both our business lines Energy Infrastructure and Private Debt make investments in assets that contribute to climate change mitigation and adaptation. These investment products are not only a source of stable and long-term returns but also create an opportunity for climate-conscious investors to create positive impact through their investment decisions.

In our Private Debt business line, we have a track record of financing renewable energy assets as well as other low-carbon and transitional infrastructure such as utilities, rail infrastructure and low energy digital infrastructure. Through financing social infrastructure such as schools and public buildings along with our commercial and residential real estate transactions, we can actively engage with project sponsors to further the decarbonization of our financed portfolio.

In our Energy Infrastructure business line, we have been enabling energy transition by investing in a wide range of green power generation technologies (onshore wind, solar, hydro), as well as other energy assets like Power-to-X and continue to actively contribute to the energy transition. Our proven business model is implemented across the entire value chain of renewable energy generation to Power-to-X technologies to deliver attractive returns and reduce risks for our investors. Besides our ongoing focus on new green electricity, our hybrid strategy comprises investments in technologies such as Green Hydrogen [H₂] and Green Hydrogen Derivatives (e.g. Green Methane [CH₄], Green Ammonia [NH₃]), Sustainable Fuels production and Battery & Energy storage.

In 2023 our managed renewable energy portfolio encompassed 1.6 GW of installed wind and solar capacity. Furthermore, we were involved in the financing of another 2.9 GW of installed capacity. From this installed capacity, our managed renewable energy assets produced 2.3 TWh of green energy. Additionally, our financed assets yielded another 1.9 TWh of renewable energy. Combined, our portfolio's electricity was equivalent to supplying more than 1,000,000 households with clean energy.

4.2 TWh of renewable
electricity produced



4.5 GW of renewable
electricity installed



>1,000,000
Households supplied



Transaction Spotlights

While ESG risks can present challenges and threats to our investments, they can also offer opportunities for positive impact and value creation. By integrating ESG factors into our investment analysis and decision-making, we aim to identify and seize such opportunities across our portfolio. For example, investing in renewable energy infrastructure can generate stable and long-term returns while contributing to the reduction of greenhouse gas emissions and the transition to a low-carbon economy. Similarly, investing in companies with strong governance and social practices can enhance their reputation, innovation, and resilience, as well as mitigate potential legal, regulatory, or reputational risks. Therefore, we consider ESG integration not only as a risk management tool, but also as a source of competitive advantage and alignment with our values and objectives.

On the following pages, we present two case studies that illustrate the significant impact of our investments on both environmental and social objectives. These examples demonstrate how our portfolio investments not only support the transition to sustainable energy sources but also foster community development and social well-being. Through these case studies, you will see how our strategic investments are driving positive change and contributing to a more sustainable and equitable future.

Project Stavro

About the project:

The Stavro wind farm, located in the northern part of Sweden within the SE2 electricity price region, is named after the nearby settlement of Stavro. It spans two areas, Blodrotberget and Blackfjället, which are 9 km apart. The terrain is gently hilly with an existing road network that facilitated low construction costs. The wind farm consists of 62 wind turbine generators totaling an installed capacity of 254 MW. It benefits from favorable wind conditions and an optimized layout that adheres to noise and distance regulations for protected areas.

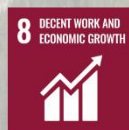
Environmental impact:

The Stavro wind farm generated 660 GWh of renewable electricity in 2023, thus contributing to the country's vision of leading the transition to a renewable energy system.

The permitting process included a comprehensive environmental assessment, with pre-construction bird studies and cultural environment inventories influencing the layout.

Social impact:

As part of the project, the Vindbonus scheme has been developed. The project allocates approximately €62,000 per year to the Vindbonus, which the municipality will manage by announcing the scheme, processing applications, and providing a shortlist of meaningful local projects for final decision. The municipality will distribute the funds without charge and ensure they support long-term local development goals, avoiding overlap with existing municipal budget allocations. Additionally, the project will contribute around €10 million in real estate tax to the municipality over its lifespan.



Project Stavro in data*
660 GWh of electricity produced
187,320 households equivalent
supplied with renewable electricity
18,611t CO₂ emissions avoided

*All data relates to FY2023

Project Odin

About the project:

Project Odin partially finances the acquisition of a pure-play social infrastructure company focused on government-backed care infrastructure assets. Turnover is generated through long-term, inflation-linked leases to day care center and nursing home operators, supported by very highly rated government entities. The company plans asset-based growth of over 50% in the coming years in Scandinavia, with further opportunities in northern Europe.

The sponsor has obtained an investment grade rating from Kroll Rating Agency under its Infrastructure methodology. Additionally, the sponsor reports on sustainability KPIs in accordance with GRESB infrastructure framework.

Social impact:

The portfolio consists of 347 properties (304 pre-schools, 42 care facilities and 1 public office) housing c. 26,300 users across five countries in the Nordics and Northern Europe. The portfolio is used primarily for nationally important essential services - real assets functioning as a cornerstone of the welfare system, promoting work participation, gender equality, and successful integration.

For 2022 the sponsor was awarded 4/5 stars with a score of 93/100 (ahead of Nordic peers) from GRESB. It achieved the "2022 GRESB Most Improved" label within the class of Social Infrastructure Educational Services.



Project Odin in data

347 care facilities

26,300 users across five countries

93/100 GRESB score

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