

# DISCLOSURE STATEMENT

IN ACCORDANCE WITH

## SFDR and EU taxonomy for sustainable activities

This document contains the pre-investment disclosures which Broodstock Capital AS (the registered "AIFM" or the "Investment Manager") is obligated to provide to investors in accordance with the Sustainable Finance Disclosure Regulation ("SFDR") before making subscriptions in any AIF managed by the AIFM (the "SPV").

Required information pursuant to the to (EU) 2019/2088 the Sustainable Finance Disclosure Regulations ("SFDR") and (EU) 2020/852 the Taxonomy, as implemented in Norway through the Act of 22 December 2021 no. 161 on the disclosure of sustainability information (the "Sustainability Disclosure Act")

The manner in which sustainability risks are integrated into investment decisions

SFDR Article 6 (1) a

"Sustainability risks" are environmental, social, or governance events or conditions that the SPV's investments are exposed to, and which if they occur, could cause an actual or a potential material negative impact on the value of the investment in the SPV and the SPV's projected returns.

The manner in which sustainability risks are integrated into the AIFM's investment decisions:

Before any investment decisions are made, the AIFM identifies sustainability risks and, to the extent an identified risk represents a potential or actual material risk and/or opportunity for maximising the long-term risk-adjusted returns of the SPV, takes into account such risk in the investment decision. The identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis.

The AIFM considers sustainability risks as part of its broader analysis of potential investments by identifying and assessing sustainability risk as part of the internal due diligence process, with the aim to uncover all relevant risks and adverse impacts related to an investment. The AIFM also applies risk mitigating measures throughout the investment holding period by mitigating climate related risk through optimizing investments in terms of environmental factors found relevant to reduce the SPV's carbon footprint, which in turn will reduce the financial risk and increase the value of the investment.

The factors considered to identify relevant sustainability risks will vary depending on the investment in question, but will typically include ownership structure, board structure and membership, capital allocation

	<p>track record, management incentives, labour relations history and climate risks. The AIFM will follow its procedures to identify and mitigate sustainability risks, although there can be no guarantee that the AIFM will successfully identify and mitigate all material risks.</p>
<p>The results of the assessment of the likely impacts of sustainability risks on the returns of the SPV</p> <p>SFDR Article 6 (1) b</p>	<p><u>Impact of sustainability risks on the returns of the SPV</u></p> <p>Due to the nature of the SPV's investment objective and strategy, the SPV is exposed to varied sustainability, including, but not limited to:</p> <ul style="list-style-type: none"> <li>• Transitional risk due to changes in regulation and consumer behaviour (e.g. greenhouse gas restrictions and governance codes);</li> <li>• Physical risk due to e.g. extreme weather, climate change, water shortages, energy, water and waste efficiency and embodied carbon, which can cause severe damages and/or damage to property (vessels and cargoes are subject to perils particular to marine operations, including capsizing, grounding, collision and loss and damage from severe weather or storms);</li> <li>• Liability risk due to pollution (the SPV may in the event of pollution be subject to strict liability and the SPV or any Portfolio Company may incur liabilities for pollution and other environmental damage without being able to recur the said liabilities through insurance); and</li> <li>• Governance risks, including brand and reputational risk (e.g. poor health and safety records, forces/child labour), supply chain management ( e.g. increase in fatalities, lost time injury rates, labor relations), work practices (e.g. observation of health, safety and human rights provisions; labor relations in service providers) and other governance related aspects (e.g., investment decisions approval process, valuation issue, fee structures, related party transactions, bribery and corruption).</li> </ul> <p>The AIFM seeks to mitigate the impact of sustainability risks on the returns of the SPV by considering such risks during the research and due diligence process and through the monitoring measures (as explained above). However, it cannot rule out that, notwithstanding such attempts, one or more sustainability risks may materialise and have a material negative impact on the value of the SPV, and therefore on the performance of the SPV and their likely returns for investors. A materialised sustainability risk can affect a specific investment or the SPV's portfolio as a whole, of which the latter will have a more significant impact on the investors likely returns. Further, among the counterparties in which the SPV will invest, some may have higher exposure to sustainability risks than others.</p>

	<p>Overall, and subject to the individual circumstances of each investment, the AIFM has made the following general assessments of the likely impacts of sustainability risks on the SPV's returns:</p> <ul style="list-style-type: none"> <li>• The probability of transitional risk materialising is considered to be high, but the AIFM is of the opinion that transitional risk also can lead to positive effects on the market in which the SPV invests in/is exposed to, and thereby also have a positive impact on the SPV's returns;</li> <li>• The probability of physical and litigation risk materialising is considered to be low, but if the risk materialises, the impact can be significant (however so that economic loss due to physical risk most likely will be covered by applicable insurances, and thereby have a limited impact on the SPV's returns);</li> <li>• The probability of governance risk materialising is considered to be low, both due to the Nordic seafood industry's well-functioning governance frameworks and standards and the SPV's mitigation of such risk through investment selection and due diligence.</li> </ul>
<p>Transparency of adverse sustainability impacts at financial product level</p> <p>SFDR Article 7 (1)</p>	<p><u>No consideration of sustainability adverse impacts</u></p> <p>The SPV does not consider the adverse impacts of investment decisions on sustainability factors. This is predominantly due to the nature of its investment and the limited capacity of the AIFM to materially engage with, and report on, these issues in a relevant and meaningful way. There is currently limited relevant information available to assess the impact of the SPV on sustainability factors based on the SPV's investments and the AIFM does not expect to be able to gather consistent, accessible, and accurate data in respect of its investments that would allow the AIFM to consider principal adverse impacts at a reasonable cost to the SPV's investors.</p> <p>In terms of whether the AIFM intends to consider such adverse impacts in the future it confirms that it intends to monitor the industry position closely and update its approach in due course as the position evolves.</p>
<p>Transparency of the promotion of environmental or social characteristics in pre-contractual disclosures</p> <p>SFDR Article 8 (1)</p>	<p>The investment strategy of the SPV does not have sustainable investment as its objective and is not intended to promote specific environmental or social characteristics (as provided by Articles 8 or 9 of SFDR).</p>

<p>Transparency of remuneration policies in relation to the integration of sustainability risks</p> <p>SFDR Article 5 (1)</p>	<p>As a registered (“sub-threshold”) AIFM, the AIFM has not adopted a remuneration policy pursuant to the Alternative Investment Fund Manager Directive, and no employees in the AIFM that have decision-making authority receive variable remuneration. As such, there are no misalignments between the remuneration practices of the AIFM and the integration of sustainability risks in the decision-making process.</p>
<p>Article 7 Taxonomy disclosure</p> <p>EU Taxonomy Article 7</p>	<p>The investments underlying this financial product (the SPV) do not take into account the EU criteria for environmentally sustainable economic activities.</p>