"SUSTAINABILITY DISCLOSURE"

of the fund

NEXTALIA CREDIT SOLUTIONS

This disclosure is based on the guidance set out in Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of information relating to the principle "do no significant harm", specifying the content, methodologies and presentation of information regarding sustainability indicators and adverse sustainability effects, as well as the content and presentation of information regarding the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

Version No. 1 published on 14 October 2026

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Registered office in via Santa Maria Segreta 5, Milan (MI), Italy
Share capital EUR 10,000,000.00 fully paid-up
Tax Code and Milan Monza Brianza Lodi Companies Registry No. 11612900966
Economic and Administrative Index (REA) No. MI-2614327
Registered in the Register of Asset Management Companies of the Bank of Italy - AIFs section under No. 195.

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A. In summary

Nextalia SGR S.p.A. (hereinafter, "**Nextalia**" or "**Management Company**") is aware of the strong connection between financial investment returns and issues related to environmental, social and governance ("**ESG**") factors. Accordingly, the Management Company, through the management of the fund called "Nextalia Credit Solutions" (hereinafter, the "**Fund**" or "**NCS**"), intends to promote environmental and social characteristics (hereinafter, "**Characteristics**") in line with Article 8 of Regulation (EU) 2019/2088 (hereinafter, the "**SFDR Regulation**").

In compliance with the relevant regulations - and, in particular, with the definition of "sustainable investment" contained in the SFDR Regulation - the Fund promotes environmental or social characteristics, further specified in Section C, for at least 20% of its investments, and verifies compliance with good governance practices, as defined in Section D, on all investments in the portfolio, even though it does not have a sustainable investment objective. Furthermore, the Management Company has ensured that sustainability risks (including transition and physical risks) are integrated throughout the investment process, right from the preliminary stages of this process, using robust and articulated internal processes, as further described in Section D below.

This process includes, where relevant (i.e. in transactions containing best efforts clauses, whereby the debtor/counterparty undertakes to use all reasonable efforts to promote the Characteristics), monitoring and support, including through periodic discussions with the top management or ESG teams relevant to the debtors/counterparties or the target companies.

Finally, the analyses carried out to verify the actual promotion of the Characteristics are mainly based on the data and information provided by the portfolio investments, while the Management Company does not rely on any reference index to measure and/or monitor them.

B. No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

C. Environmental or social characteristics of the financial product

In line with the provisions of Article 8 of the SFDR Regulation, the Management Company promotes environmental and social characteristics among the investments on behalf of the Fund. The table below shows the Characteristics together with the related indicators (hereinafter," **Indicators**") used to verify the extent to which the Characteristics have been met through investment activity.

"**Real Assets Finance**" transactions:

TYPE	CHARACTERISTICS	INDICATORS
Environmental	Promotion of energy efficiency practices (related to the climate change mitigation objective)	➢ Energy consumption per square metre or per unit of surface area
		➢ Share of capex allocated to energy efficiency initiatives and/or the energy transition towards renewable energy sources
		➢ Share of renewable energy used to meet energy needs, relative to total energy consumption
		➢ Renewable energy generation capacity[1]

"**Structured Corporate Lending**" transactions:

Environmental	Promotion of energy efficiency practices (Related to the climate change mitigation objective)	➢ Energy consumption indexed to company revenues
		➢ Share of capex allocated to energy efficiency initiatives and/or the energy transition towards renewable energy sources
		➢ Share of renewable energy used to meet energy needs, relative to total energy consumption
Social	Promotion of non-discrimination and equal opportunity principles	➢ Adoption of policies aimed at promoting non-discrimination and equal opportunity principles

[1] Indicator primarily monitored in the case of financing initiatives related to renewable energy projects

"**Portfolio and NAV Finance**" transactions:

Environmental	Promotion of energy efficiency practices (Related to the climate change mitigation objective)	➢ % of portfolio investments for which GHG emissions are monitored (at least Scope 1 and Scope 2)
		➢ % of portfolio investments that have implemented specific actions aimed at improving energy efficiency and supporting the energy transition towards renewable energy sources
Social	Promotion of non-discrimination and equal opportunity principles	➢ % of portfolio investments that have adopted policies aimed at promoting non-discrimination and equal opportunity principles

D. Investment strategy

The investment strategy is structured around three typical types of transactions:

1. **"Real Assets Finance"** transactions (hereinafter also referred to as "**RAF**"): aimed at providing financial resources through the financing or refinancing of a specific real estate initiative promoted, directly or indirectly, by the company, investment fund or other financed entity (so-called real assets finance); including, by way of example and without limitation, financing for the acquisition, construction, renovation, redevelopment, change of use and, more generally, the enhancement of real estate assets intended for residential, hospitality, office or commercial use, as well as infrastructure initiatives and/or initiatives related to renewable energy projects.
2. **"Structured Corporate Lending"** transactions (hereinafter also referred to as "**SCL**"): aimed at directly or indirectly supporting the development of a given company, or financing or refinancing its acquisition by investment funds, companies or other entities (so-called structured corporate finance); including, by way of example and without limitation, (i) financing in connection with the acquisition or refinancing of SMEs or Corporate companies, (ii) direct and indirect financing to companies for growth, development or new acquisitions, and (iii) holdco financing for dividend recap purposes or for further reinvestment by shareholders in the relevant portfolio company; such financing is generally structurally subordinated to senior financing at the operating

company level and ranks within the mezzanine/junior portion of the companies' capital structure.

3. **"Portfolio and NAV Finance"** transactions (hereinafter also referred to as "**PNF**"): aimed at providing financing, directly and indirectly, to investment funds or similar structures against investment portfolios (so-called NAV finance); including, by way of example and without limitation, direct and indirect financing to Private Equity, Private Credit, Infrastructure and Real Estate funds aimed at (i) optimising their DPI (so-called dividend recap), (ii) providing capital to portfolio companies (e.g. follow-on investments, refinancing of the capital structure, etc.), and (iii) providing additional financing to the fund to support or undertake new investments; such financing is generally supported by a plurality of investments or assets, allowing it to benefit from the diversification within the fund.

Within the Fund's three main strategies, the investment policy focuses on medium- to long-term transactions (without prejudice to the fact that short-term/bridge transactions may be considered by the Investment Team where they offer an attractive risk-return profile for investors) involving, directly or indirectly, the purchase and/or subscription and/or provision of:

(i) Short-term debt instruments;

(ii) Long-term debt instruments, including bonds and similar securities;

(iii) Debt securities, including those with equity-like features;

(iv) Medium- to long-term financing;

(v) Any security enabling the acquisition of the instruments referred to above, subject to the investment limits set out in the Fund Rules.

Within the Fund's three main strategies, the promotion of the Characteristics is pursued, in accordance with Nextalia's Sustainable Investment Policy (hereinafter, the "**Policy**"), through a strategy structured as follows:

Negative screening, which, in line with the provisions of the Fund Rules, provides for the exclusion of investments in entities whose principal activities are carried out in the following sectors: (i) trade in or production of firearms, weapons, military supplies or ammunition (including so-called anti-personnel mines and cluster bombs)[2] ; (ii) tobacco; (iii) gambling or related products; (iv) production or distribution of pornographic material; (v) production or marketing of electronic solutions or

[2] In accordance with Law No. 220/2021 and the related Instructions adopted by the Bank of Italy, COVIP, IVASS and the MEF on 23 July 2024, including the verification of the publicly available lists of companies engaged in the production of mines, cluster munitions and submunitions, as provided for therein. This restriction shall not apply insofar as such activities form part of, or are ancillary to, European Union policies and are compliant with European Union law.

software specifically designed to unlawfully enable access to electronic networks and/or the downloading of electronic data; and (vi) human cloning.

Preliminary ESG due diligence, aimed at identifying any ESG thematics that could affect the returns on investments. The due diligence is carried out on the basis of a predefined, predominantly qualitative checklist, which includes: (i) a list of items to be analysed for all target investments (including the proper composition of the company's management bodies), specific sustainability policies, as well as any additional documentation and/or policies relevant to ESG analysis, in order to assess the ESG "maturity" of the relevant target investment, with particular regard to "good governance" practices in the areas of sound business management, employee relations, employee remuneration and compliance with tax obligations; (ii) an initial materiality analysis based on the frameworks developed by SASB for each sector in which the individual target investment operates.

The preliminary ESG due diligence also includes a dedicated questionnaire (the "Climate Pre-DD Screening Tool"), through which the potential exposure of the target investment to physical and transition climate risks is analysed with particular attention. Based on the responses provided, the tool determines whether the target investment is potentially exposed to transition and/or physical risks. In particular, the tool provides: (a) an overall assessment of exposure to transition risk (low, medium or high), and (b) an overall assessment (again on a three-level scale: low, medium and high) for each physical risk characteristic. Where the overall assessment under point (a) is medium or high, the ESG Manager will carry out further analysis of exposure to transition risk; similarly, further analysis will be conducted in respect of physical risk characteristics for which the tool indicates a medium or high risk.

All stages of the preliminary ESG due diligence are carried out by the ESG Manager with the support of the Investment Team. The findings of the preliminary due diligence (which include the results of the screening of climate and environmental risks, both physical and transition, obtained through the tool adopted by the Management Company) are submitted to the Investment Committee in order to support its assessment as to whether the investment process should proceed.

In-depth due diligence, generally conducted with the support of external advisers with specific expertise in the area, during which any ESG issues identified in the preliminary due diligence are analysed in greater depth. The findings are used to assess the consistency of the investment transaction with the principles set out in the Policy and, in particular, to (i) assess the possibility of promoting, in whole or in part, the environmental and social characteristics identified above within the investments, and (ii) further analyse material aspects – as already identified during the preliminary due diligence – both at sector level (based on the frameworks developed by SASB) and at the level of the individual investment, including any aspects in respect of which exposure to climate and environmental risks (physical and transition) is particularly significant. For this purpose, the Company has adopted a dedicated "ESG due diligence checklist", which identifies the ESG Factors, including risks and opportunities related to climate change and physical and transition risks, that could be examined during the due diligence, taking into account the findings of the materiality analysis. Information relating to portfolio investments will also be collected through periodic discussions with

the top management or ESG teams relevant to the debtors/counterparties or target companies. The ESG Manager monitors all stages of the in-depth due diligence carried out with the support of external advisers (where appointed) and the Investment Team. At this stage of the investment process, the Risk Management Function prepares the risk analysis (the final risk report), which takes into account the findings of the due diligence in order to quantify any ESG risks. In particular, with regard to the assessment of physical and transition risks, the Risk Management Function has adopted a more quantitative and granular calculation methodology, in line with the internally developed action plan designed to address the Supervisory Expectations relating to the monitoring of climate and environmental risks. For further details, reference should be made to paragraph 4.9 of the Management Company's Policy.

At this stage of the investment process, an assessment must also be carried out to verify compliance with the good governance requirements identified below (see the table below).

Where a specific ESG due diligence is not carried out with the support of external advisers, good governance aspects and the potential to promote the Characteristics in relation to the investment will nevertheless be further assessed as part of the other due diligence processes conducted (legal, technical and commercial).

Where – following completion of the in-depth due diligence – the responses to the specific questions on the matter simultaneously indicate that: (i) the majority of the indicators are not met (see the "Assessment Criteria" column), and (ii) for such indicators, it is not possible during the investment period to implement remedial actions aimed at bringing them to a satisfactory level, the Investment Team shall bring this circumstance to the attention of the Investment Committee, which shall in turn bring it to the attention of the Board of Directors, so that it may duly take it into account in its final decision regarding the investment transaction and exclude the transaction. The following table sets out the good governance safeguards taken into consideration by the NCS Investment Team.

Scope of assessment on good governance	**Assessment Criteria**
Sound management structures	Proper composition of the company's management bodies (i.e. Board of Directors and other committees required by law)
	Monitoring of compliance with the publication deadlines for the last three annual financial statements
	Absence of legal proceedings relating to violations of shareholders' rights (over the last three years)

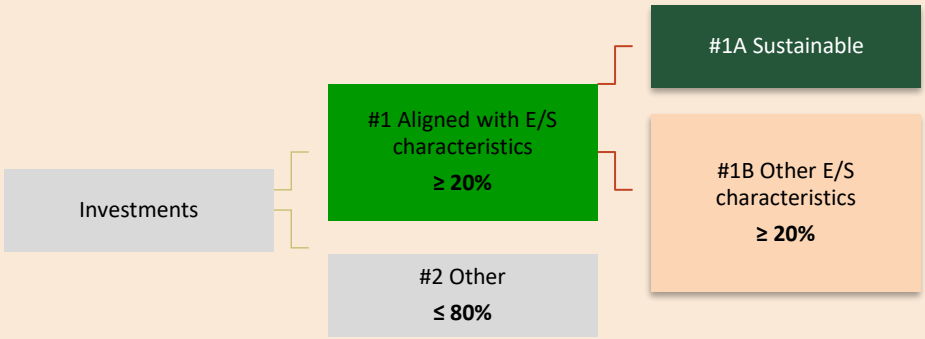
Employee relations	Absence of significant labour disputes (in the last 3 years), taking into account the total liabilities as shown in the last approved financial statements and the total number of employees involved.
Staff remuneration	Absence of disputes regarding non-payment of personnel (including severance pay) and/or wage discrimination (within the past 3 years).
Tax compliance	Absence of significant challenges or disputes raised by the Italian Revenue Agency in relation to tax matters over the last three years and/or serious irregularities concerning social security contributions or tax obligations

Upon completion of this phase, the Investment Team prepares the Final Investment Memorandum, to be submitted to the Investment Committee for its positive assessment of the transaction. The memorandum includes, inter alia, the findings of the in-depth due diligence, including, where applicable, a section dedicated to ESG matters. At the end of this stage of the investment process, Nextalia identifies those target investments for which it considers that the conditions are not met to promote any of the environmental and social characteristics identified above.

During the **investment management phase**, the Investment Team, with the support of the Management Company's ESG Manager, will carry out periodic monitoring of the performance of portfolio investments, including from an ESG perspective. For investments in respect of which the Characteristics are promoted, due consideration will be given to the performance indicators associated with such Characteristics, as well as to any other ESG issues identified during the due diligence process that could affect the financial performance of the investment.

E. Proportion of investments

The Management Company, on behalf of the Fund, only makes direct investments, aimed at promoting the Characteristics for at least 20% of the total investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category of investments "#1 Aligned with E/S characteristics" includes investment transactions structured within the capital structure and undertaken as part of RAF, SCL and PNF investments which, taking into account the specific features of the transaction, the rights negotiated and the findings of the ESG due diligence, are considered eligible to be classified as aligned with the Characteristics.

The category of investments "#2 Other" includes investments in structured credit transactions positioned at different levels of the capital structure within RAF, SCL and PNF transactions which, taking into account the specific features of the transaction, the rights negotiated and the findings of the ESG due diligence, are considered by the Investment Team and the ESG Manager to involve situations that are not fully compatible with the promotion of the Characteristics.

F. Monitoring of environmental and social characteristics

During the holding period, the Management Company, on behalf of the Fund, continuously monitors the promotion of the relevant Characteristics and, accordingly, the performance of the Indicators.

Relevant information is collected on the basis of a detailed report that the debtors/counterparties or portfolio companies in respect of which the Fund promotes environmental and social characteristics provide on an annual basis, setting out the status of the selected Indicators (and, in particular, of the individual ESG initiatives included therein, including any actions relating to the management of climate-related risks and opportunities).

The information thus collected is presented annually, in connection with the approval of the Sustainability Report, to the Board of Directors of the Management Company by the ESG Manager. In addition, the information provided by portfolio investments is incorporated into the annual report.

It is understood that any ESG incidents – meaning environmental, social or governance events that have a material adverse impact on an investment and, consequently, on its key stakeholders,

including investors, employees, communities and the environment – which the ESG Manager, having been informed thereof by the Investment Team, considers particularly relevant to the management of the portfolio investment, are brought to the attention of the Board of Directors, including outside the annual reporting cycle and, where appropriate, at an ad hoc meeting.

G. Methodologies

In order to measure how the Characteristics promoted by the transactions included within the minimum proportion of investments promoting environmental and social characteristics are being met, the Management Company will prepare a detailed report containing, at a minimum, the monitoring of the relevant indicators and highlighting the actions implemented by the portfolio investments to promote such Characteristics.

H. Data sources and processing

The analyses carried out are primarily based on data and information provided by the portfolio investments during the pre-investment phase (with data collected during the due diligence process for the first investments made in 2026) and during the investment management phase (through the annual collection of ESG data, the first cycle of which will be carried out in 2027). Furthermore, with regard to the sources of data and information used for the promotion of the Characteristics, the Management Company does not rely on information provided by third-party data providers or on estimates.

It is understood that the Management Company processes the information received from the investments in compliance with the applicable data protection legislation, as well as in accordance with its internal policies on the matter.

I. Limitations to methodologies and data

At present, no limitations to methodologies and data have been identified. Should any limitations arise, they will be promptly notified, and corrective actions will be implemented to resolve them.

J. Due diligence

The Management Company, on behalf of the Fund, applies a high degree of due diligence throughout all stages of the investment process, with particular regard to ESG matters (including sustainability risks), primarily through the activities and safeguards already described in Section D.

In addition, the Management Company has established clearly defined internal roles, responsibilities and information flows, also with a view to ensuring appropriate internal oversight of such due diligence. In particular, the ESG Manager is supported by the Legal and the AML and Compliance Function in relation to matters within its remit, and by the Risk Management Function with regard to the analysis of sustainability risks. The ESG Manager is also supported by the ESG Committee, which

is composed of the Chief Executive Officer, acting as Chair, the ESG Manager, the Chief Investment Officer Credit and the General Counsel.

Finally, where provided for and deemed appropriate, the ESG Manager may also rely on the support of external advisers (where appointed) and the Investment Team.

K. Engagement policies

Throughout the entire duration of the investment, the Management Company, on behalf of the Fund, provides for particularly careful management of its holdings with regard to ESG matters, based on monitoring and support activities in respect of portfolio investments for which the Management Company promotes environmental and social characteristics.

In particular, such monitoring and support activities consist of periodic discussions with the management of those companies in order to monitor the progress of the Indicators relevant to each Characteristic promoted.

L. Designated reference benchmark

No reference benchmark has been designated to meet the Characteristics promoted by the Fund, as the Management Company relies on the Indicators described in Section C to verify the extent to which the Characteristics have been met through investment activity.