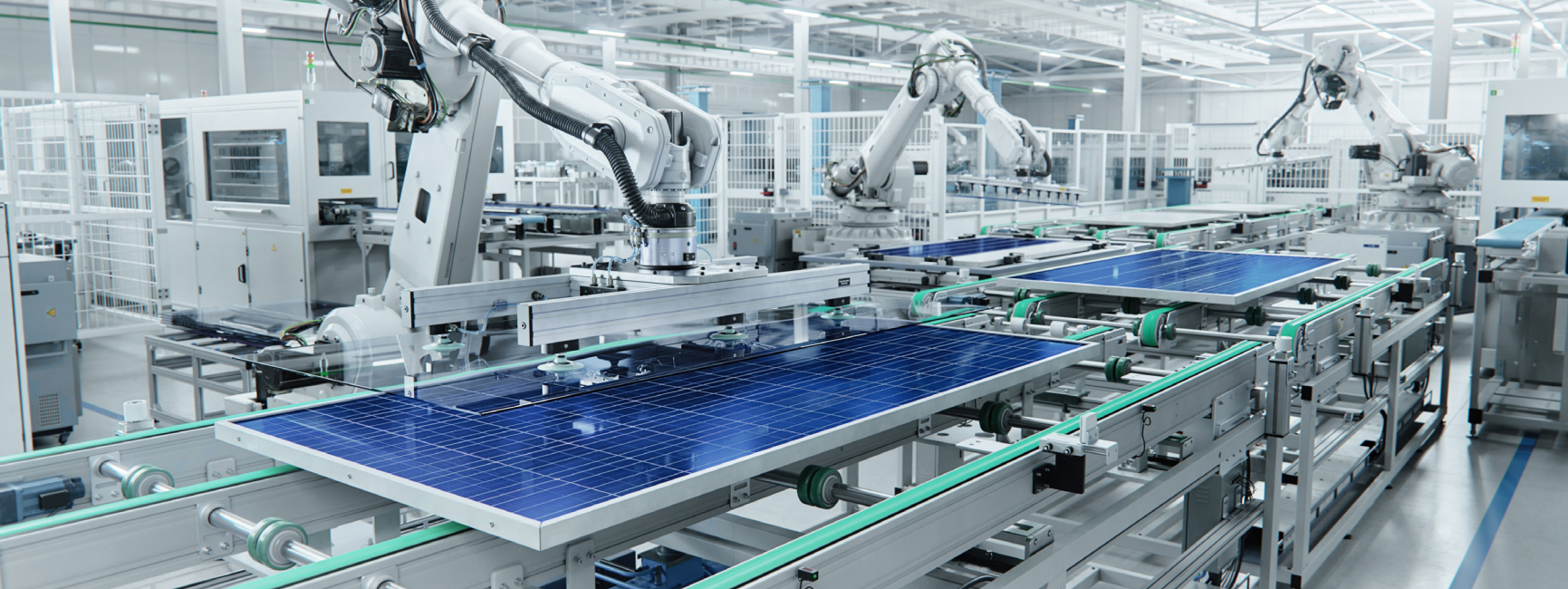


An aerial photograph of a river winding through a dense, lush green forest. The river is a vibrant blue, contrasting with the deep greens of the surrounding trees. The perspective is from directly above, looking down at the water and the forest canopy.

NEXXUS

SUSTAINABILITY
REPORT
2022



ABOUT THIS REPORT

The purpose of this report is to share our climate action strategy as well as the way we consider climate across our businesses with our investors, partners, shareholders, and other stakeholders. We see our TCFD reporting as a journey – one that starts herein.

SCOPE OF REPORTING AND ALIGNMENT TO FRAMEWORKS AND STANDARDS

This report documents activities for calendar year 2022, so the information and data included are as of December 31, 2022, unless otherwise noted.

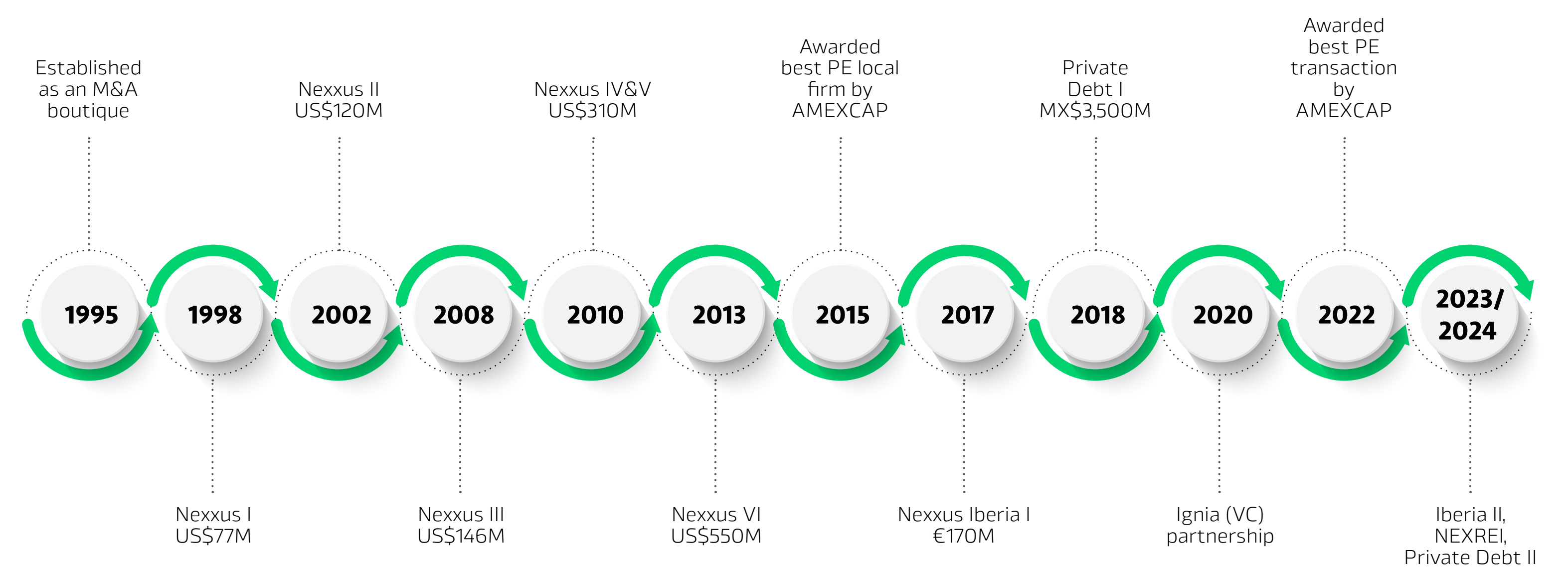
This is our inaugural Climate Action Report, in line with the TCFD four pillars. It includes disclosures to the SASB sector standards most relevant to our business: Asset Management & Custody Activities Sector Standard , and our commitment to the UN Sustainable Development Goals.

ABOUT NEXXUS CAPITAL

Nexus has been investing in high-growth middle-market companies since its first private equity fund in 1998. We have made 43 equity investments, 20 private financings through nine funds, and have sponsored seven IPOs, of which two are listed in the U.S. stock markets. Nexus has an accumulated 22% IRR and 1.6x MOIC track record in USD.

We strive to to be a multi-region alternative asset manager with whom investors and enterprises prefer to associate with due to our consistent top-tier returns, value-creation capabilities, and integrity.

Currently, Nexus has US\$631 million in assets under management, allocated as follows: 44% in growth equity investments dedicated to Mexican and U.S. companies; 29% in private debt in Mexico, and 27% in growth equity investments for Iberian (Spain and Portugal) companies.. Dedicated local-to-the-region teams manage each strategy. In addition, we have a strategic partnership with IGNIA, a top-tier venture capital fund in Latin America, which provides us access to VC market trends, and to the digital economy.



NEXXUS AT A GLANCE

27

current investments
(15 Equity, 12 Private Debt)

US\$94M

in Dry Powder*

28%

of portfolio revenues in
hard currencies

\$1.6B

total
Commitments
to date

9

Funds across
two strategies

60+

Equity and Private
Debt investments
to date

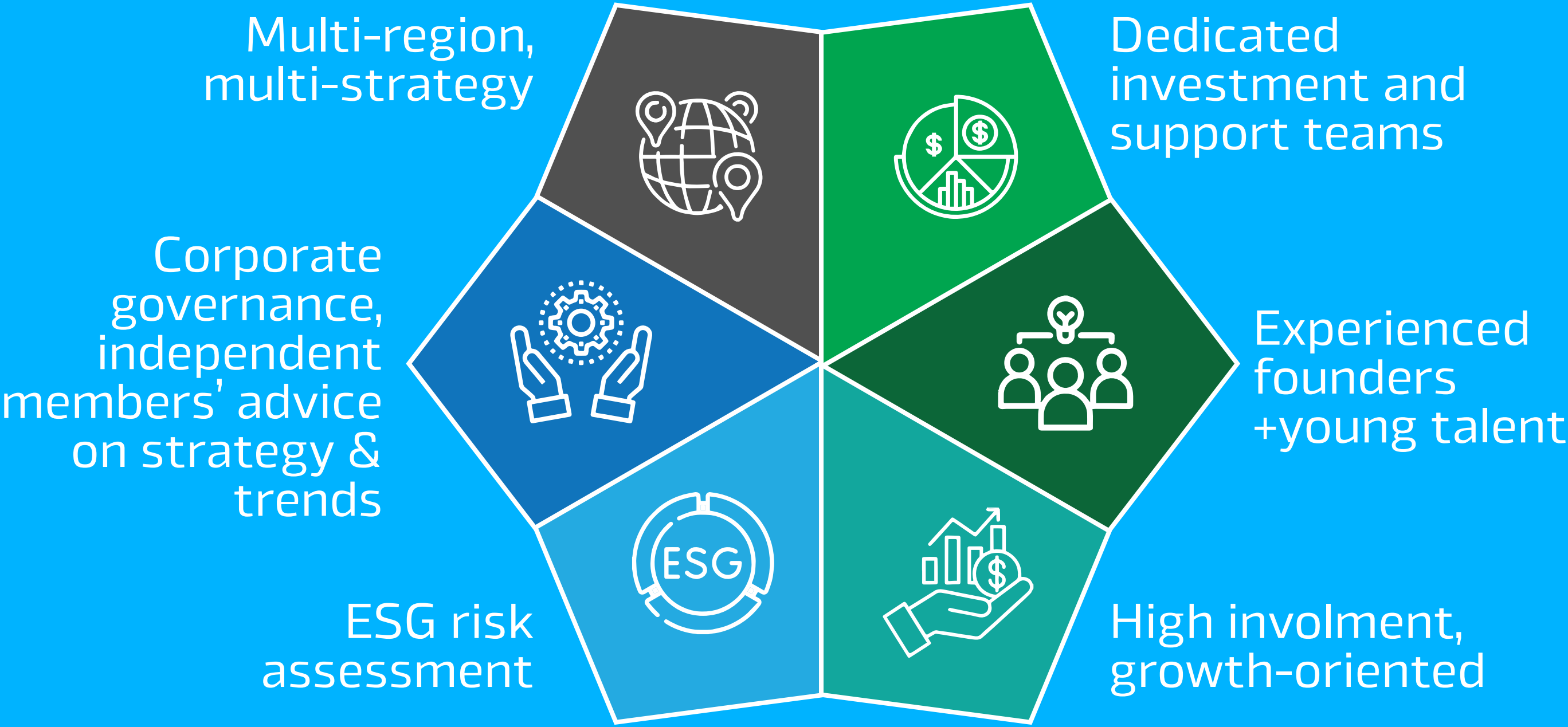
7

IPO's executed

**Excluding fundraising*

OUR APPROACH

Nexus funds are typically invested and realized within ten years. Through an active ownership approach, we transform companies and assets to make them more relevant, more sustainable, more efficient, and more valuable. The funds then return the capital to its investors as it realizes investments.



SIGNATORIES AND ACTIVE PARTICIPATION OF THE NEXXUS TEAM



1

GOVERNANCE

We approach governance and management of climate change risks and opportunities, as we do other key business issues. Nexxus senior leadership provides ultimate oversight of our responsible investment efforts. Accountability for this work extends throughout the organization, with team members collaborating to achieve strong results.

As UN PRI signatories since 2018, Nexxus continuously seeks to incorporate responsible investing practices into the core of our business model and influence our investee companies.

Investment Committees, which decide where and how to deploy our capital, oversee ESG issues that are material and relevant to new investments, when applicable. The Head of IR and Sustainability is responsible of drafting the action plan to tackle material ESG issues identified in potential portfolio companies during the due diligence process.

IMPLEMENTATION RESPONSIBILITY

The responsibility for identifying, assessing, and managing climate-related risks and opportunities lies with the investment teams, which work in partnership with Nexxus' subject matter expert, the Head of IR and Sustainability, who also engages with portfolio companies and external stakeholders on ESG matters regularly.

Looking forward, we know we must keep on making the necessary efforts to further advance in the integration of climate-related risks and opportunities into our processes. We anticipate this will include ongoing training and education as well as the development of new tools and resources. We also recognize that our Firm and our industry still has a lot of work to do to integrate climate change into governance and decision-making. We look forward to collaborating within and learning from peers on this topic as well as engaging on industry-wide efforts to drive even more responsible investing.



2

STRATEGY

As an active investment manager, our climate strategy is rooted in understanding and anticipating the impact of climate change mitigation and adaptation efforts on the future cash flow of our portfolio companies. By doing so, we leverage our expertise in valuation to appropriately calibrate risk/reward and ultimately generate excess returns.

Regarding the process to understand the risk on climate on our investments, together we work on sensibilisation and, we focus on driving better disclosure to better understand the capex/opex implication of carbon emission reduction targets. Engagements may involve more contextual situations whereby we urge for changes in capital allocation, strategy, or governance. We believe both types of engagement address climate risks or opportunities and simultaneously unlock shareholder value.

Climate change is addressed within our ESG strategy and in particular through the work we are doing in integration, engagement, advocacy, and investment solutions.

Our approach to climate change is also closely aligned with the PRI Investor Agenda, an initiative that allows investors to showcase their contribution in transitioning capital to low-carbon opportunities and encourages them to take action across four areas: investments, corporate engagement, investor disclosure and policy advocacy.

STRATEGY FOCAL POINTS

- **Investment:** integrating ESG issues into the investment process, including due diligence, and management practices as appropriate.
- **Value creation:** working with portfolio companies to strengthen ESG performance and drive value.
- **Promoting transparency** through ESG-related disclosures and cross-industry collaboration to adopt best practices.



3

RISKS MANAGEMENT

Nexus operations are predominantly exposed to global regulation and the physical and transitional risks generated by climate change. These risks could lead to increased costs or disrupted operations and/or supply for our organization.

We are aware that such risks, if not properly managed, have the potential to generate a significant financial effect on our assets, revenue and/or expenditure. Our own operations impact the environment and are also subject to both transition and physical risk. Efforts to manage risks and mitigate impacts are ongoing.

Our investment process is guided by our Responsible Investment Policy, which guides our efforts to integrate ESG risks and value creation opportunities, including climate change, into our investment processes.

We take a materiality-based approach to integrate ESG into investment processes across asset classes. To identify and assess material risks, we use industry specific topics identified by the Sustainability Accounting Standards Board (SASB) as well as the TCFD framework as primary inputs. Some differences in application between the asset classes exist due to the nature of the investment and the level of influence we have over a company. We continue to evolve on how we integrate climate considerations into our debt financing business, where there is a relative lack of data.

CURRENT ESG INTEGRATION PROCESS

1. PRE INVESTMENT

The process begins with an early screening of critical risks, the goal of which is to identify linkage risks. To do so, we apply the European Development Finance Institutions (EDFI) exclusion list that refers to activities, operations, or industries that raise critical ESG or reputational risks, including carbon-intensive activities.

2. DUE DILIGENCE

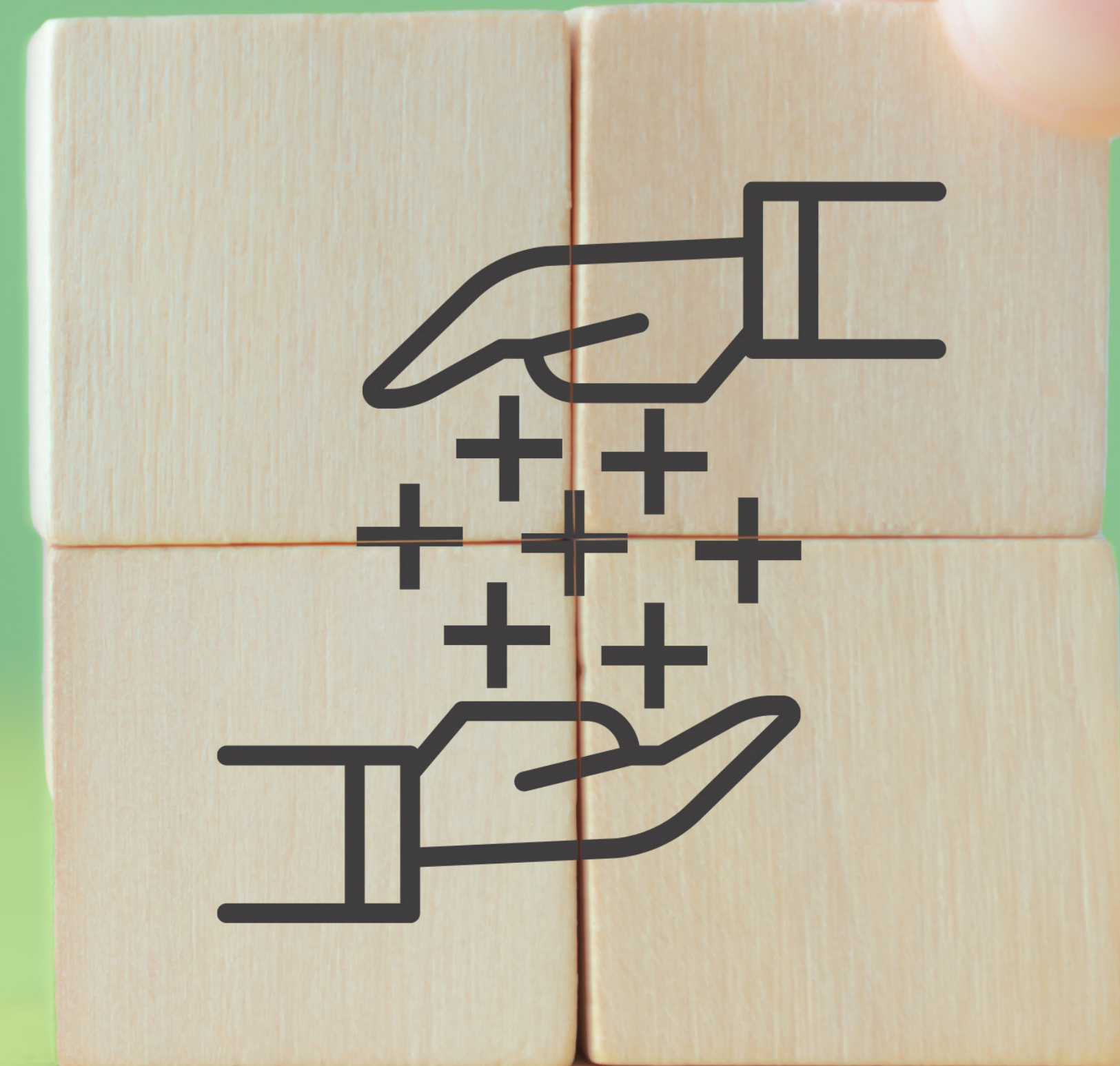
Evaluate ESG risks and opportunities by industry, including climate change risks (physical and transitional) and alignment with material SDGs for Nexus.

3. INVESTMENT COMMITTEE

Include key risks and opportunities in the Investment Committee discussions and memorandums as they relate to the target company. Drafting of the mandatory action plan for the portfolio companies to be implemented in the next twelve months.

4. POST INVESTMENT

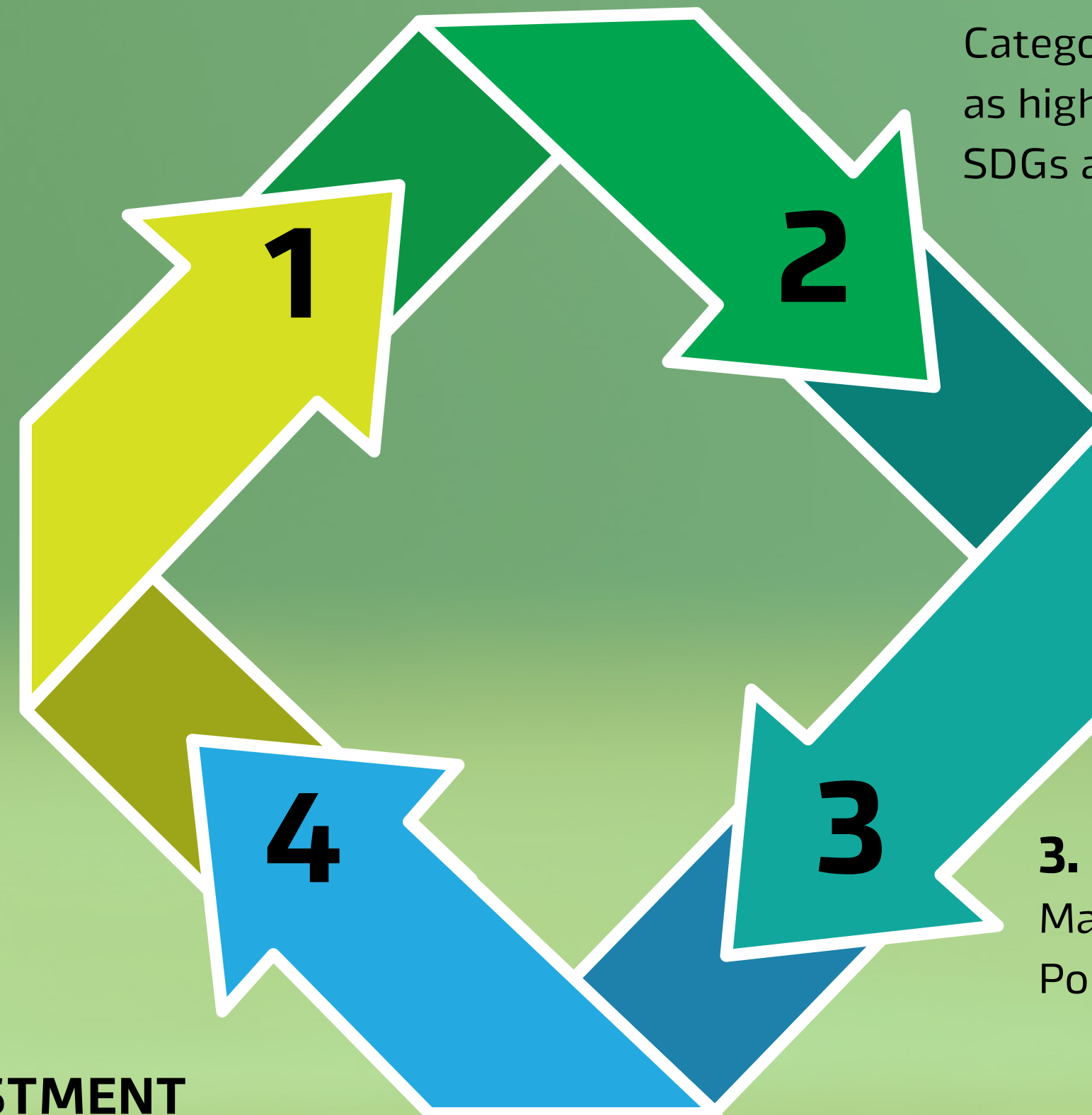
Follow-up on relevant findings, engage with the portfolio companies on value creation efforts through the mandatory action plan. Document efforts or incidents related to detected risks.



NEXXUS ESG INTEGRATION PROCESS

1. PRE-INVESTMENT

Linkage risk assessment via EDFI exclusion list and initial risk assessment.



2. DUE DILIGENCE

Categorization by ESG risks level as high, medium, or low; and level of SDGs alignment.

3. INVESTMENT COMMITTEE

Mandatory action plan for Portfolio Companies.

4. POST INVESTMENT

Monitoring the progress of the value creation plan, and identify the evolution of risks.

4

METRICS AND TARGETS

We plan to achieve our portfolio's emission target reduction, not through divesting part of our portfolio, but by engaging with our companies to reduce their emissions, increase their exposure to better practices and boost transparency. We are still exploring the best metrics and targets to calibrate physical impact and geopolitical risk. However, we have analyzed where we have concentrated risks from a physical impact perspective, induced by changing climate, as well as related geopolitical implications. We expect this area of reporting and target setting to evolve over time as data improves and climate adaptation investment requirements emerge.

As part of our efforts, we incorporate TCFD-aligned questions in our due diligence processes, such as:

- An overview of company's governance for managing climate-related risks and opportunities.
- Whether the company has evaluated and disclosed how climate-related issues may affect its strategy, business operations, and financial planning over the short, medium, and long-term.

- The processes the company uses to identify, assess, and manage climate-related issues.
- The climate-related metrics the company monitors.
- Disclosure of emissions inventory.

Nexus Green House Gas emissions comprises emissions from Scope 1 and 2, totaling 23.205 metric tons CO₂ equivalent (mtCO₂e). The footprint is based on the Firm's direct impacts and operations; it does not account for the impacts of our investments. This is our first calculation of Green House Gas emissions.

For Scope 1 emissions, it is worth noting that our offices do not have any space heating and the air conditioning does not use gases such as chlorofluorocarbon, as we use cooling by water and electricity.

Regarding stationary gas consumption, in the building where Nexus offices are located, it is prohibited to use any type of gas, whether stationary or LP. Electric grills are used inside the office.



Scope	Source	Emissions mtCO ₂ e	Details
1	Heating and refrigerants	0	No space heating or refrigerants are used in Nexus offices
2	Purchased electricity	23.205	Nexus offices

SASB DISCLOSURE TOPICS, ASSET MANAGEMENT & CUSTODY ACTIVITIES

SASB Standards are intended to aid entities in disclosing information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, its access to finance, or its cost of capital over the short, medium, or long term. We have disclosed the most relevant standards to our business: Asset Management & Custody Activities.

CODE	METRIC	DISCLOSURE
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	None of Nexxus' employees have a record or investment-related investigations, consumer complaints or private civil litigations.
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	Zero. Nexxus hasn't been involved in any legal proceedings associated with marketing and communications of financial product related information.
FN-AC-270a.3	Description of approach to informing customers about products and services	<p>Nexxus's efforts to inform investors about services emphasize the following:</p> <ul style="list-style-type: none">• Transparency of procedures, performance, and potential conflicts of interest;• Engagement to establish and monitor investment criteria;• Accuracy and completeness of information; and• Identification and disclosure of key risks. <p>Nexxus operates private equity and private debt funds, offering a wide range of actively managed investment products to a predominantly institutional client base. As per the Fund documents, once Nexxus has secured commitments and such investors are included in the Trust Agreement, it will be considered the "Initial Closing." Following the Initial Closing, additional investors may invest in the Funds and become Investors.</p> <p>The provisions state how additional investor contributions will work in a particular Fund. Generally, the Trustee and Manager can enter into agreements with investors wishing to participate under the existing Fund. Each additional investor must contribute an amount equal to their committed percentage, considering previous capital contributions and distributions. Additional investors are treated as if they joined on the Initial Closing date, and they pay interest based on the Preferred Return from previous investors' contributions. The contributions from additional investors are distributed among previous investors proportionally, and any disposition of investments triggers tax obligations for the relevant parties. The Manager ensures compliance with these obligations.</p>

CODE	METRIC	DISCLOSURE
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Nexxus workforce includes 31% women and as part of our ongoing commitment to diversity, inclusion and equality across the firm, Nexxus participates with INROADS, an NGO that seeks social mobility by providing job opportunities and training to outstanding students from vulnerable backgrounds. Nexxus currently has two employees from the INROADS program. Nexxus does not have gender quotas for recruitment processes. The objective is always to hire the most prepared candidate and one that makes a cultural fit with the firm. We have standardized tests and various filters to minimize the bias in hiring.
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening	<p>Currently, Nexxus has US\$631 million in assets under management, allocated as follows: 44% in growth equity investments dedicated to Mexican and U.S. companies; 29% in private debt in Mexico, and 27% in growth equity investments for Iberian (Spain and Portugal) companies. Nexxus has built an institutional corporate governance platform following best practices and compliance guidelines supported by a solid technological infrastructure. At the investment level, Nexxus conducts a materiality analysis to identify key ESG indicators (KPIs) for specific business models. Looking ahead, Nexxus has designed an execution plan for future investments in which ESG policies are followed at each stage of the investment cycle, including the integration of ESG factors into investment decisions through an investment methodology with the following process:</p> <p>Pre-investment: The process begins with an early screening of critical risks, where the goal is to identify linkage risks. To do so, we apply the European Development Finance Institutions (EDFI) exclusion list that refers to activities, operations, or industries that raise critical ESG or reputational risks, including carbon-intensive activities.</p> <p>Due Diligence: Evaluation of ESG risks and opportunities by industry, including climate change risks (physical and transition) and alignment with material SDGs for Nexxus.</p> <p>Investment Committee: Include key risks and opportunities in the Investment Committee discussions and memorandums relating to the target company—drafting of the mandatory action plan for the borrowers to be implemented in the next twelve months.</p> <p>Post Investment: Follow-up on relevant findings and engage with the company on value creation efforts. Document efforts or incidents related to detected risks.</p>
FN-AC-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	Strategy

CODE	METRIC	DISCLOSURE
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	<p>Zero, we haven't identified any fraud or corruption cases during the investment process. Our investment process is guided by our Code of Conduct and Responsible Investment Policy, which stablish our approach to integrating the consideration of ESG risks and value creation opportunities, including anti-corruption clauses, into our investment processes.</p> <p>We take a materiality-based approach to integrating ESG issues into our investment process across asset classes. To identify and assess material risks, we use industry's specific issue topics identified by the Sustainability Accounting Standards Board (SASB) as well as the TCFD framework as primary inputs.</p> <p>Increased ESG standards and the development and updating of policy's with the management team, accompanied by strong diffusion across the company are measure taken, with a zero-tolerance policy around fraud and corruption. We haven't identified any fraud or corruption cases during the investment process.</p>
FN-AC-510a.2	Description of whistleblower policies and procedures	<p>Nexxus Code of Conduct includes, in chapter 17, the policies related to handling breaches of the Code and whistleblowers' protection as follows:</p> <p>Members must report, immediately and anonymously, any conduct, act, or omission that violates the Integrity Policies and/or the Law.</p> <p>At Nexxus, an environment of trust is promoted, allowing any concern on the part of the Member to be expressed to his superior, including any violation of the Code.</p> <p>In any other case, the report of any complaint may be made through the following means:</p> <p>Email: denuncias@nexxuscapital.com</p> <p>Website: www.nexxuscapital.com.</p> <p>Nexxus will invariably respect the confidentiality of the information provided as the object of the complaint and the anonymity of the complainant(s) and the complainant(s). Likewise, all Members will be obligated to cooperate in the investigation and/or audit processes carried out internally to guarantee the timely follow-up and resolution of the complaints presented.</p> <p>Finally, Nexxus will not fire, demote, suspend, threaten, harass, or discriminate against any person or tolerate any retaliation against any Member who, by any means, denounces the existence of behaviors contrary to the content of this Code and/ or the law.</p>
FN-AC-000.A	Total assets under management (AUM)	<p>Currently, Nexxus has US\$631 million in assets under management, allocated as follows: 44% in growth equity investments dedicated to Mexican and U.S. companies; 27% in growth equity investments for Iberian (Spain and Portugal) companies, and 29% in private debt in Mexico.</p>



SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS

Through our Responsible Investment commitment, we are well-positioned to contribute toward four UN Sustainable Development Goals (SDGs) that are most relevant to our business and where we believe we have the greatest opportunity to make an impact.





NEXXUS

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