

NEXXUS

SUSTAINABILITY
REPORT

2024

ABOUT THIS REPORT

The purpose of this report is to provide transparency regarding our performance and management of material sustainability topics across our businesses to investors, partners, shareholders, and other stakeholders.

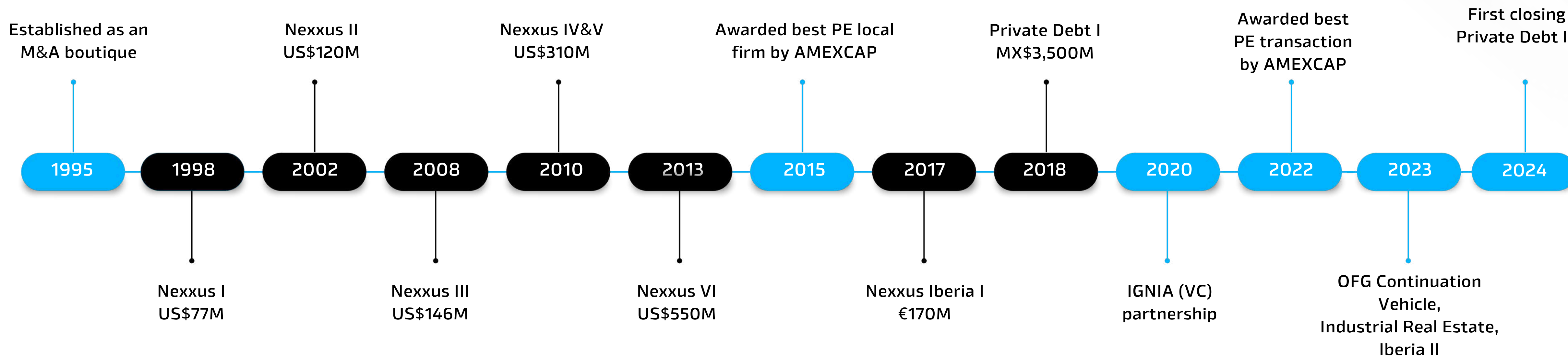
Scope of Reporting and Alignment to Frameworks and Standards

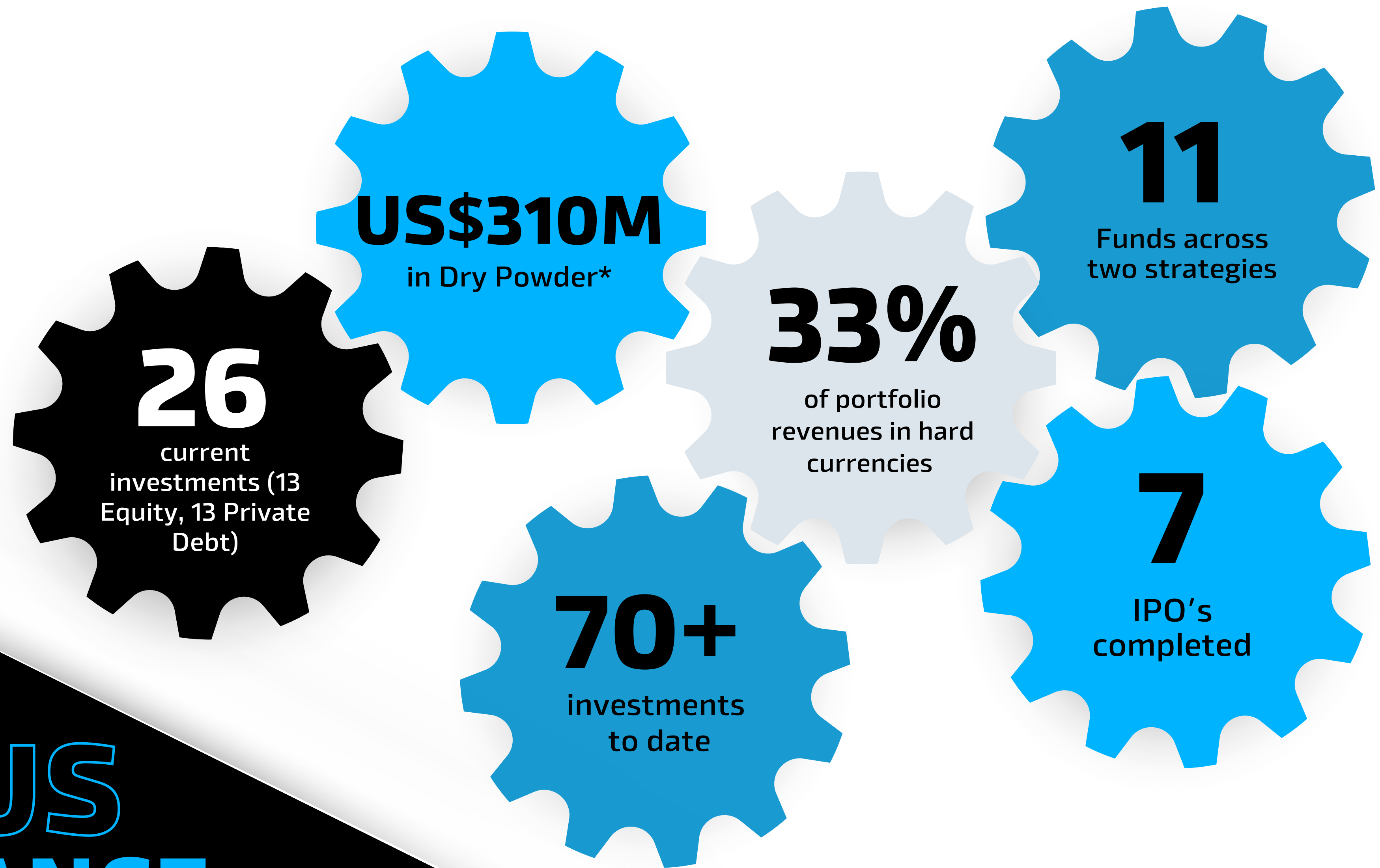
This report covers activities for the calendar year 2024. Unless otherwise specified, all information and data included are as of December 31, 2024, and it includes sustainability-related financial disclosures aligned with IFRS S1, the core recommendations of TCFD, and the SASB sector standards most pertinent to our business: Asset Management & Custody Activities Sector Standard.

ABOUT NEXXUS CAPITAL

Founded in 1995, Nexus Capital has made significant strides in investment. To date, we have executed 46 equity investments and 24 private credits across eleven funds. Additionally, we have successfully sponsored seven IPOs, two of which are listed on U.S. stock markets. Nexus boasts an impressive track record, achieving an accumulated 25% Internal Rate of Return (IRR) and 1.6 times Multiple on Invested Capital (MOIC) in USD.

As of now, Nexus manages US\$828 million in assets, distributed as follows: 19% in growth equity investments targeting Mexican and U.S. companies, 50% in growth equity investments focused on Iberian (Spain and Portugal) companies, 28% in private debt in Mexico, and 2% in industrial real estate. Each strategy is managed by dedicated local teams closely aligned with regional nuances. Furthermore, our strategic partnership with IGNIA, a leading venture capital fund in Latin America, enhances our insights into VC market trends and the digital economy.





NEXXUS AT A GLANCE

OUR APPROACH

Nexxus funds typically invest in and realize returns within a ten-year timeframe. Through our active ownership approach, we aim to transform companies and assets, enhancing their relevance, sustainability, efficiency, and overall value. Upon realizing investments, the funds return capital to our investors.

SIGNATORIES AND ACTIVE PARTICIPATION OF THE NEXXUS TEAM

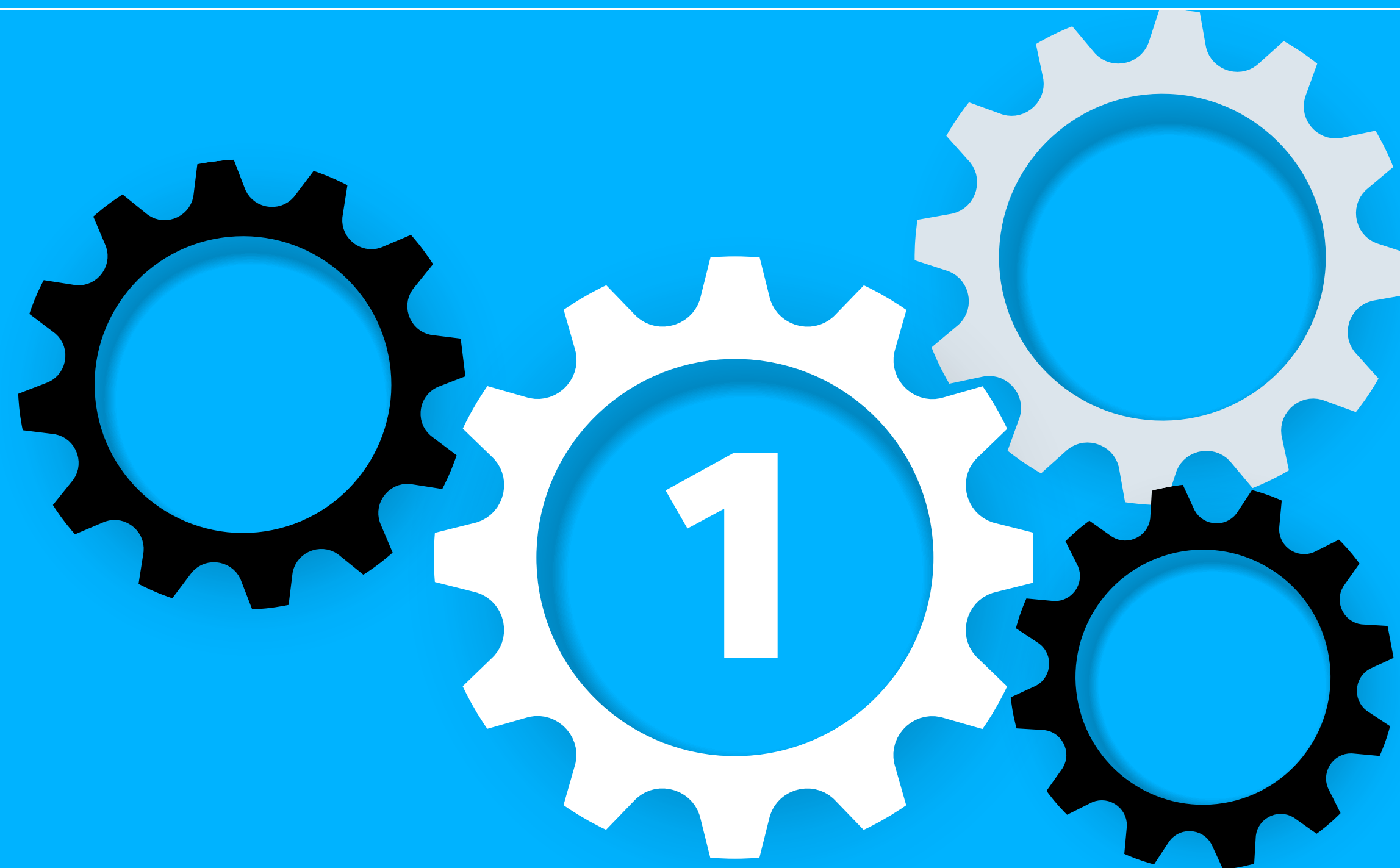


GOVERNANCE

We approach governance and management of sustainability risks and opportunities with the same rigor as 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.

Responsibility for identifying, assessing, and managing sustainability risks, including climate-related risks and opportunities lies with the investment teams. These teams work in partnership with Nexxus' Head of Sustainability, who regularly engages with portfolio companies and external stakeholders on sustainability matters.

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



The process of assessing and managing sustainability risks and opportunities, including climate related ones, is governed by the Responsible Investment Policy and the Private Debt Responsible Investment Methodology, both publicly available at: <https://www.nexxuscapital.com/responsible-investment-policy/> As UN PRI signatories since 2018, we continuously strive to integrate responsible investing practices into the core of our business model and influence our portfolio companies.

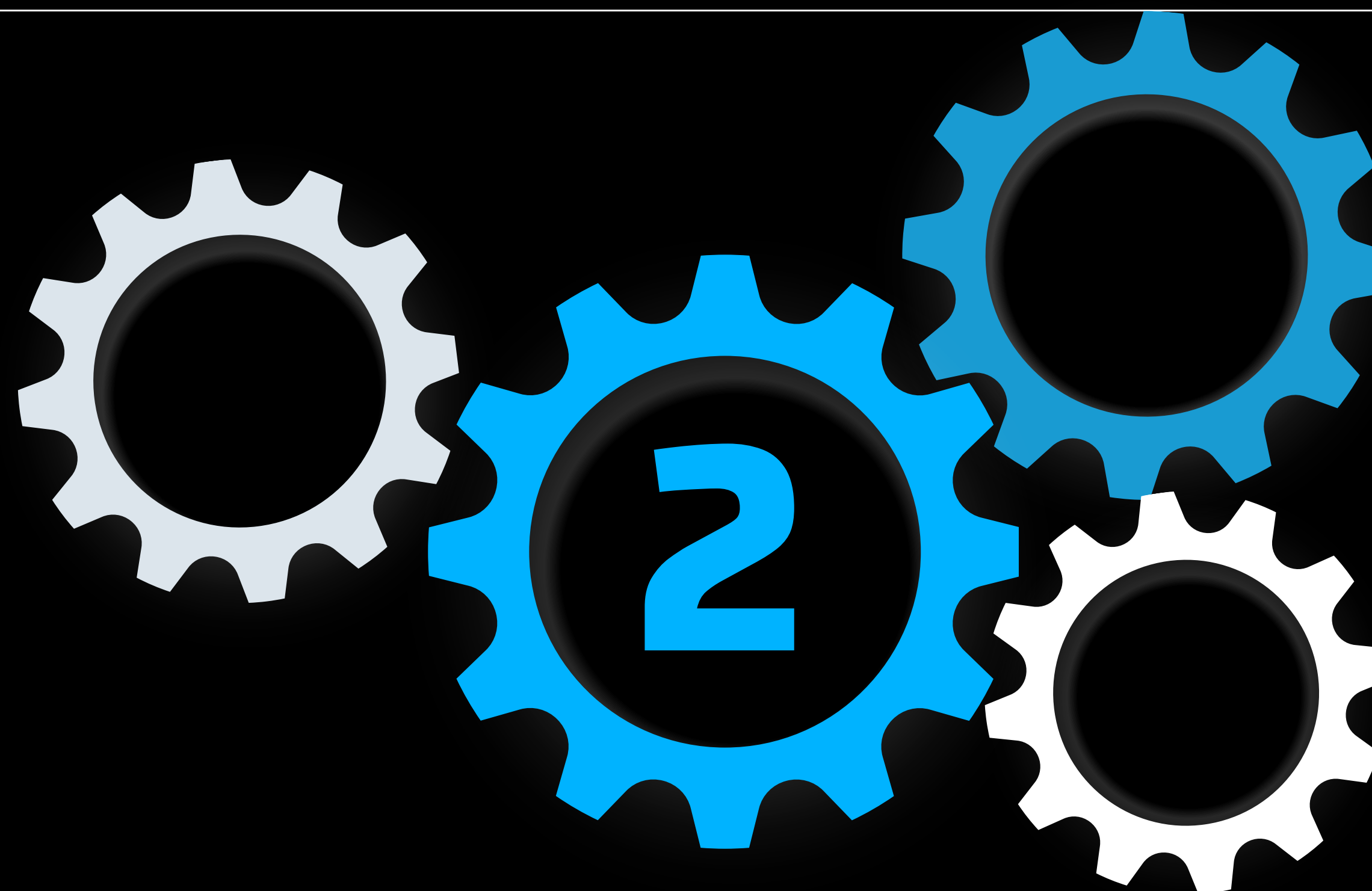
To further advance in the integration of sustainability risks and opportunities into our processes, we invest in ongoing training and education as well as close follow up with our portfolio companies. We also recognize that our industry still has much work to do to integrate climate change into governance and decision-making. We look forward to collaborating with and learning from peers on this topic as well as engaging on industry-wide efforts to drive even more responsible investing.

STRATEGY

As an active investment manager, our sustainability strategy is rooted in understanding and anticipating the impact of material sustainability risks, such as 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.

We periodically review our priority topics, aiming for best practices, and working to further integrate sustainability into our business operations and investment processes. We seek to apply consistent responsible investment principles across our assets. Our approach to engagement differs depending on the level of control.

In control positions, mainly in our private equity and real state funds, we can partner with companies and support transformation projects, always beginning with corporate governance practices. In the private debt fund, where we don't have any controlling position, we have found that portfolio companies value the annual action plans proposed by our Head of Sustainability.



Even those that are not legally obligated to implement these plans have voluntarily agreed to do so.

With respect to our climate engagements, fact-finding efforts can include pushing companies for better disclosure or seeking to better understand the capex/opex implications of carbon emission reduction targets. Engagements may involve more contextual situations where we urge changes in capital allocation, strategy, or governance.

We believe both types of corporate engagement address climate risks and opportunities while simultaneously unlocking shareholder value.

Climate change is addressed within our sustainability strategy and through our efforts in integration, engagement, advocacy, and investment solutions. Our approach to climate change is 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 action across four areas: investments, corporate engagement, investor disclosure, and policy advocacy.



Sustainability in the investment process: Integrating material sustainability issues into the investment process, including due diligence and management practices as appropriate.



Value creation: Working with portfolio companies since the pre- investment to strengthen sustainability performance and drive value



Promoting transparency: Enhancing ESG-related disclosures and fostering cross-industry collaboration to adopt best practices.

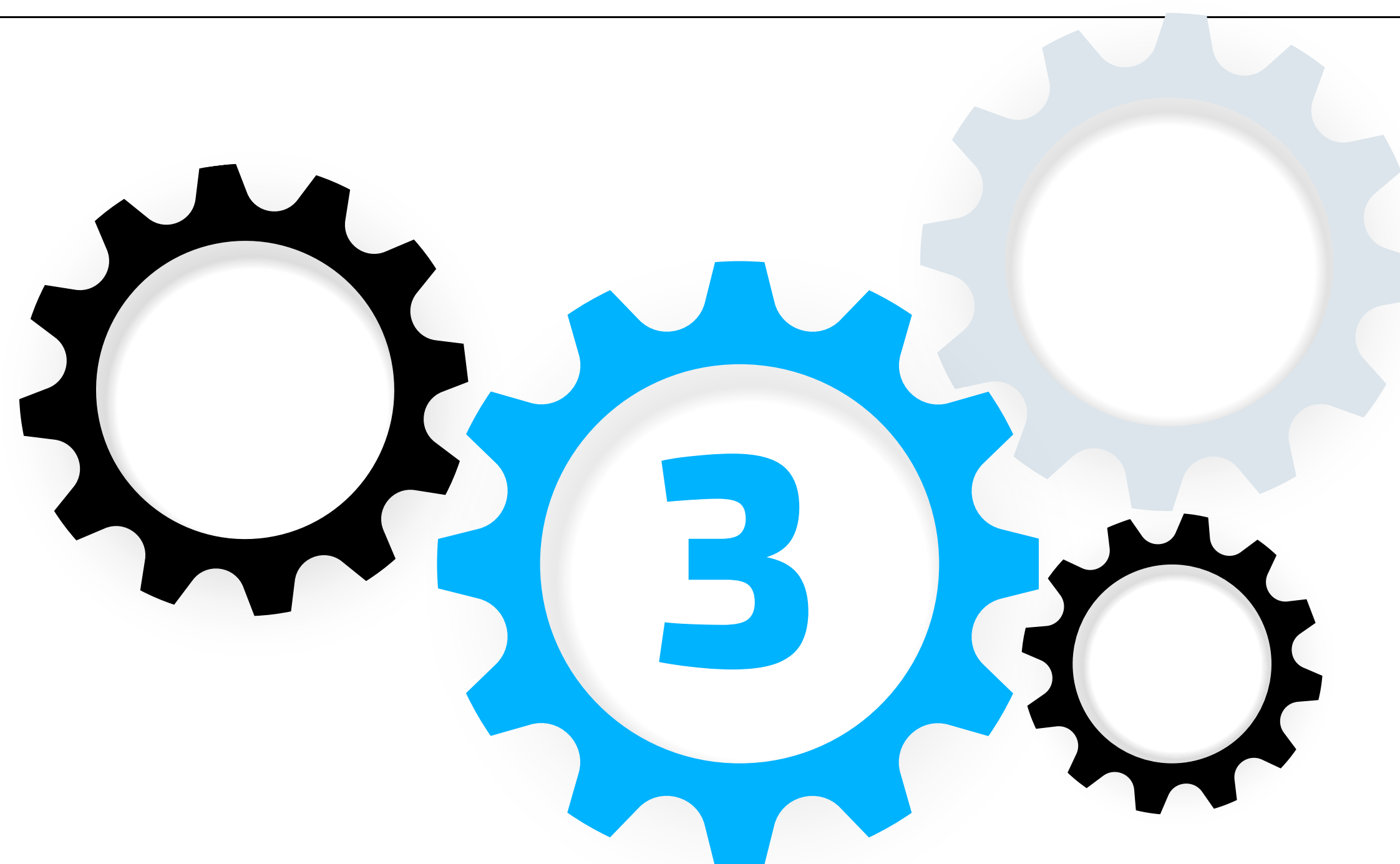
RISK MANAGEMENT

Nexus operations and properties 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.

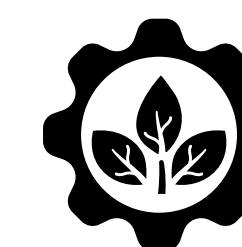
We are committed to integrating material sustainability topics as part of our investment thesis and due diligence and to working with portfolio companies to enhance their sustainability programs and make improvements during the holding period. Each investment opportunity is unique, and we have a structured approach to help companies determine and focus on what issues are most material to them. This helps us address the diverse risks and opportunities across the various industries and regions where we invest.

We manage climate risk in our private equity and real estate portfolio by conducting a sustainability due diligence on new deals where an initial screening indicates climate change could be material. After each investment, we also engage with portfolio companies on managing physical and transition risks as appropriate.

For our private debt fund, initial sustainability due diligence is part of the credit underwriting process. A report of key findings is issued and presented to each company to agree on an annual action plan to improve their sustainability programs and help protect value.



100% new deals
go through the
sustainability due
diligence process



**55% of private debt
and 100% of real
state new deals**
include the
enforceability of
implementing an
annual sustainability
action plan



**Sustainability data
collection:** 100% on
current private debt
portfolio and 100%
on real estate
investments

Our investment process is guided by our Responsible Investment Policy, which directs our efforts to integrate sustainability risks and value creation opportunities, including climate change, into our investment processes. We take a materiality-based approach to integrate sustainability topics into the investment processes across asset classes. To identify and assess material risks, we use industry-specific topics identified by the Sustainability Accounting Standards Board (SASB) and the TCFD framework as primary inputs.

Some differences in application between asset classes exist due to the nature of the investment and the level of influence we have over a company. We continue to evolve in how we integrate climate considerations into our private debt business, where data is relatively lacking.

Nexus Sustainability Integration Process

1. Pre investment. The process begins with an early screening of critical risks, aiming to identify linkage risks. We apply the European Development Finance Institutions (EDFI) exclusion list, which refers to activities, operations, or industries that raise critical environmental, social or reputational risks, including carbon-intensive activities.

2. Due Diligence. Evaluate and document material sustainability risks as part of the investment process. Formal documentation of sustainability considerations is required in all new deals.

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

4. Engagement. During the holding period and until the exit, we work with portfolio companies by monitoring their sustainability performance, identifying and responding to opportunities to create value and manage risk.

NEXXUS ESG INTEGRATION PROCESS

1. PRE-INVESTMENT

Linkage risk assessment via EDFI exclusion list and initial risk assessment

1.

2.

2. DUE DILIGENCE

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

4.

3.

3. INVESTMENT COMMITTEE

Mandatory action plan for borrowers

4. ENGAGEMENT

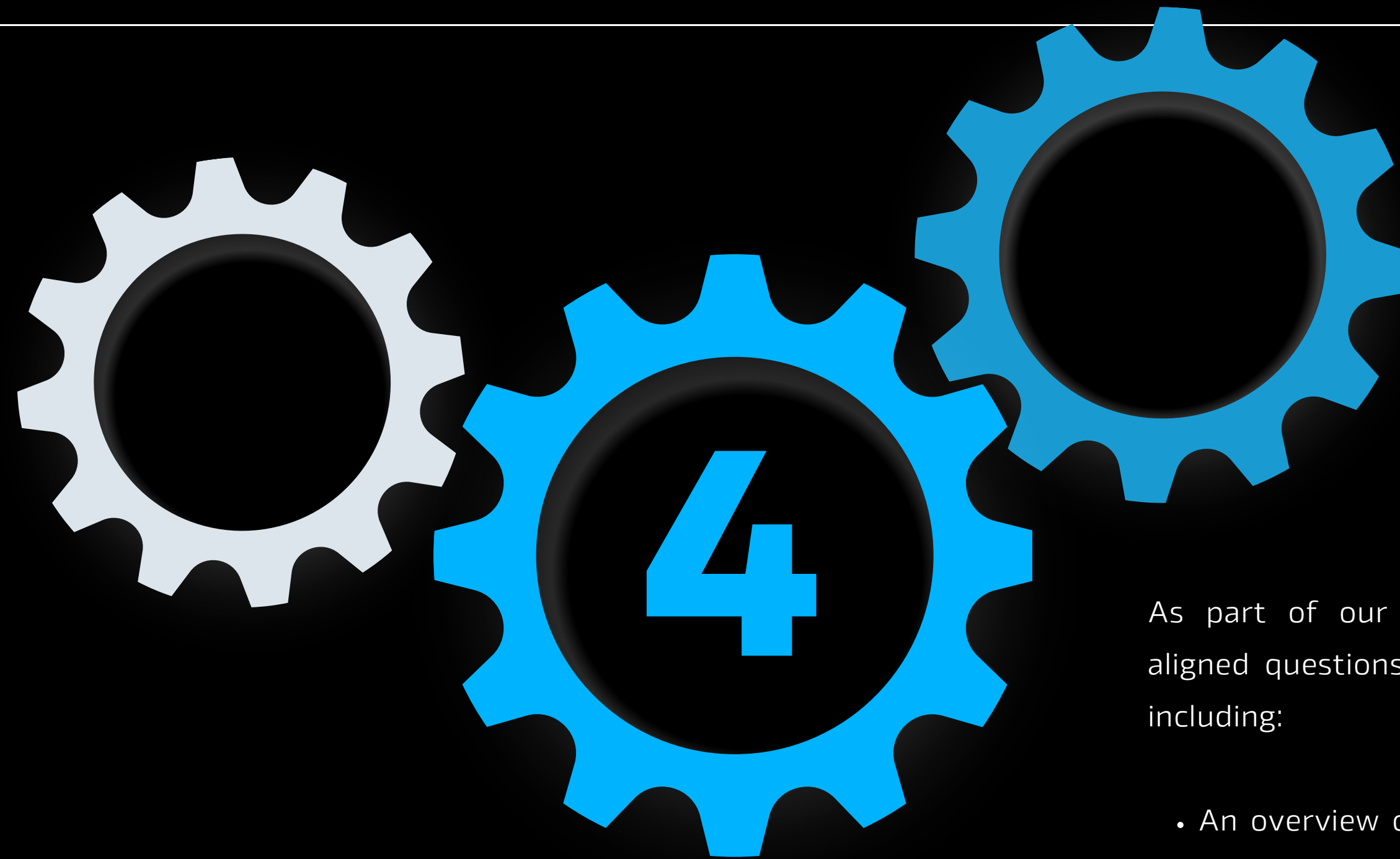
Monitoring portfolio companies' sustainability performance, identifying and responding to opportunities to create value, and managing risk.

METRICS & TARGET

We aim to achieve our portfolio's emission reduction targets not through divestment but by actively engaging with our companies to reduce their emissions, adopt better practices, and enhance transparency. We are currently exploring optimal metrics and targets to assess physical impact and geopolitical risks. We have conducted analyses to identify concentrated risks from physical impacts due to climate change and their associated geopolitical implications.

We anticipate that reporting and target-setting in this area will evolve as data improves and as investment requirements for climate adaptation become clearer. We continue to encourage companies to measure greenhouse gas (GHG) emissions, set reduction targets, and develop tangible action plans.

In 2024 we encouraged the promotion of the following ESG policies:

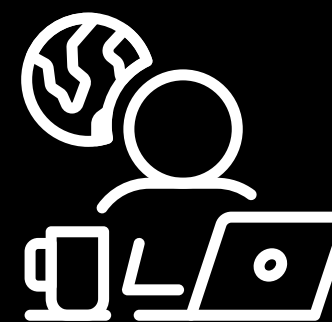


As part of our efforts, we incorporate TCFD-aligned questions in our due diligence processes, including:

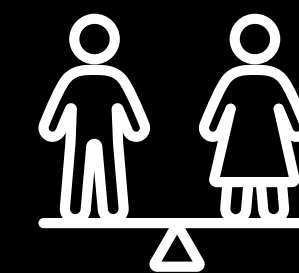
- An overview of the company's governance for managing climate-related risks and opportunities.
- Whether the company has evaluated and disclosed how climate-related issues may affect its strategy, business operations, and financial planning over the short, medium, and long-term.
- The processes the company uses to identify, assess, and manage climate-related issues.
- The climate-related metrics the company monitors.
- Disclosure of emissions inventory



Maternity and paternity leave policy, with periods exceeding the law requirements and extending this license to parents who adopt.



Remote work policy to provide our work teams more control over the management of their **work-life balance**



Development of a plan to ensure Nexxus promotes **gender equality** in the workplace, including training, infrastructure, among other measures, to accomplish this goal.

Nexxus’ GHG emissions consist of Scope 1 and 2, totaling 21.17 metric tons CO₂ equivalent (mtCO₂e). This footprint reflects the firm’s direct impacts and operations. Additionally, for the first time, we are including as Scope 3 emissions from our portfolio, **encompassing all private debt and real estate companies and 100% of the private equity portfolio in Mexico.**

For Scope 1 emissions, it is worth noting that our offices do not have any space heating, and the air conditioning systems does not use gases such as chlorofluorocarbon; instead, we utilize water-based cooling. Regarding stationary gas consumption, the building where Nexxus offices are located strictly prohibits the use any type of gas, including stationary and LP. Electric grills are used exclusively inside the office premises.

Scope	Source	Emissions 2023	Emissions 2024	Details
1	Heating and refrigerants	0	0	No space heating or refrigerants are used in Nexxus offices
2	Purchased electricity (tCO ₂ eq)	22.47	21.17	Nexxus offices
3	Portfolio emissions (kgCO ₂ eq)	599,806.12	736,924.71	Considers all private debt portfolio and 100% of private equity companies in Mexico

For the calculation of Scope 1 emissions, we used the factors published by SEMARNAT in the “Agreement that establishes the technical particularities and formulas for the application of methodologies.”

For Scope 2 emissions, we used the 2022 National Electrical Emission Factor issued by the Energy Regulatory Commission (CRE). Scope 2 emissions are based on location, as the energy is consumed directly from the national electrical grid.

For Scope 3 emissions, we requested energy consumption information from each portfolio company and applied the same methodology used for Nexxus’ emissions. An exception is Traxion, part of the private equity portfolio, which calculates their GHG emissions in-house.

Ongoing activities

Annually, we review critical ESG policies including the Responsible Investment Policy, Private Debt Responsible Investment Methodology, Maternity and Paternity Leave Policy, and Remote Work Policy to determine necessary updates. We distribute an annual Due Diligence Questionnaire (DDQ) to accredited entities for ESG compliance assessment, followed by systematic monitoring of Action Plans to track progress against objectives.

Nexxus maintains oversight of ESG DDQ Compliance, executes the Prosperity Action Plan, and is following our portfolio's progress on sustainability actions. Additionally, we analyze SASB Material Risks by Industry and prepare the mandatory PRI Report. The team publishes both the PRI and Sustainability Reports while addressing specific Investor Requirements to maintain transparency and meet stakeholder expectations.

Private Debt Fund Commitments

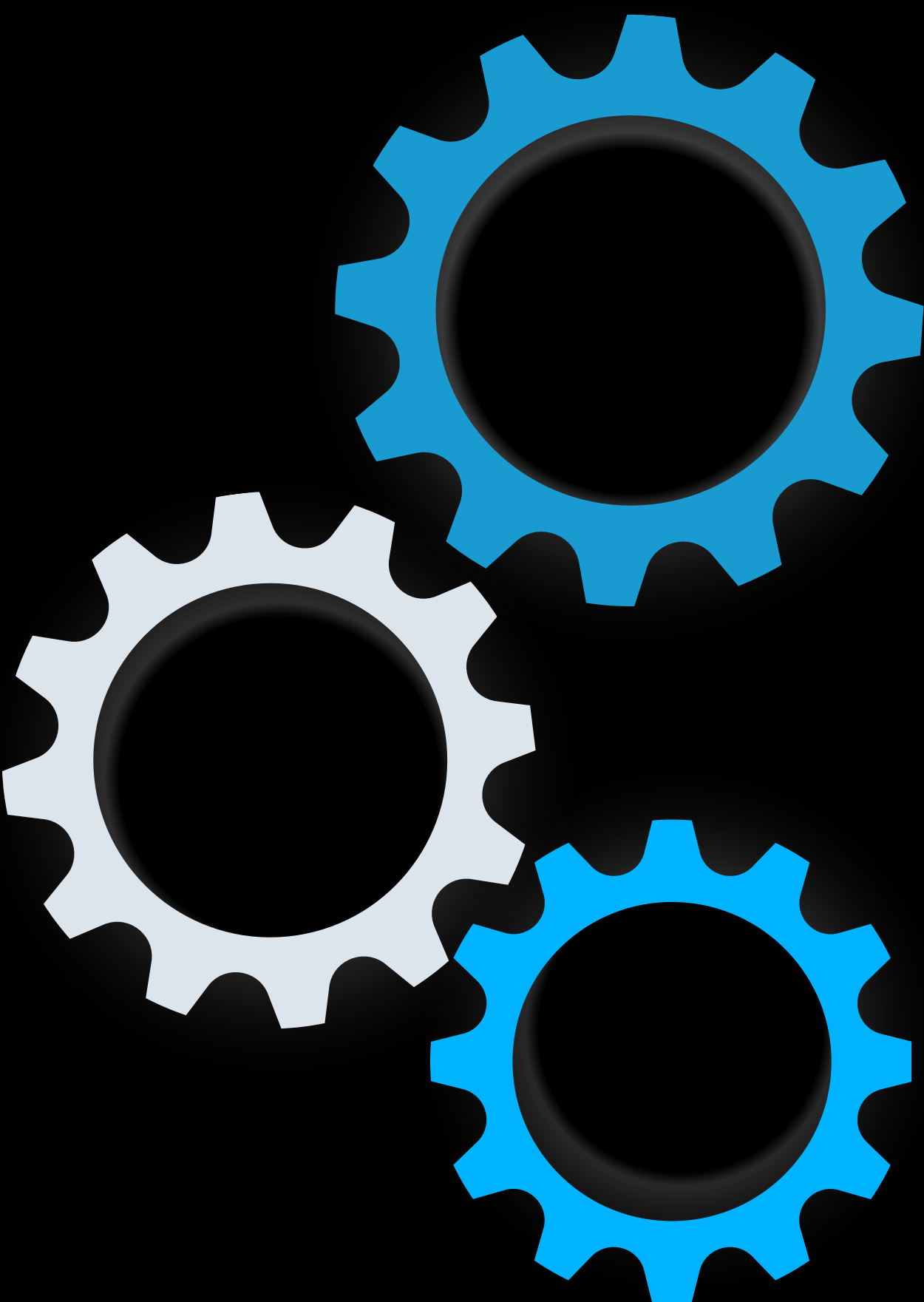
One of our investors requires all accredited companies to disclose Scope 1 and 2 greenhouse gas emissions as part of our comprehensive environmental oversight. We maintain a minimum representation of 30% women within our investment team to ensure diverse perspectives in decision-making. Additionally, we publish an annual report aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework to provide transparent climate risk assessments.

To ensure our commitment to our investors; our fund implements a robust Environmental and Social Policy and conducts thorough E&S Due Diligence for all investments. For each portfolio company, we develop a tailored Environmental and Social Action Plan (ESAP) and have appointed a dedicated Environmental and Social Officer to oversee compliance across our portfolio. All investment agreements include specific ESG requirements covering funding conditions, disbursement terms, and ongoing commitments.

The fund prohibits investments in Category A clients as defined in our exclusion list. We maintain strict adherence to anti-money laundering (AML) and counter-terrorist financing (CFT) regulations under applicable national and international laws, conducting comprehensive due diligence that includes checks on successors-in-interest and ultimate beneficial owners. Furthermore, the fund will not engage with any entity or individual sanctioned by the UN Security Council or blacklisted by the World Bank Group.

We submit an Annual Environmental and Social Performance Report within 90 days following each fiscal year-end. Our governance framework requires notification to the Advisory Committee within three days of any environmental, social, labor, health and safety, or security incident involving existing or proposed portfolio companies. Any breach of the Environmental and Social Policy triggers immediate Advisory Committee notification to ensure prompt remediation.

ACTION PLANS



Logistics Investments

This organization is undergoing the collection of signed conflict-of-interest declarations from all members of the Board of Directors to ensure transparency and compliance. A dedicated task force will be established to address gender and wage gaps across the workforce. To improve environmental tracking, the company will implement a monthly log to record greenhouse gas (GHG) emissions. Additionally, a water management program will be developed to prioritize the use of treated/recycled water in operations.

Industrial Investments

The organization is in the process of formalizing its Board of Directors with the incorporation of independent members to strengthen governance and oversight. Concurrently, efforts are underway to establish an Audit Committee to enhance financial transparency and risk management. Additionally, the company will develop a comprehensive Code of Ethics. To promote workplace inclusion, a dedicated task force will be formed to analyze and reduce existing gender and wage gaps within the company. Lastly, as part of its sustainability initiatives, the organization will design and implement a waste management program to improve environmental responsibility across operations.

Real State Investments

This company has formalized its health and safety department,, and establishing training programs to ensure compliance and risk mitigation. Additionally, the Corporate Code of Ethics has been published on the company's website, incorporating anonymous whistleblowing mechanisms and a labor rights clause and all stakeholders are required to sign it. The company plans to enhance governance by incorporating independent members into its decision-making bodies. From a sustainability standpoint, efforts are underway to implement the use of recycled and/or treated water across operations, and solar panels.

Our second company is developing their Code of Ethics. An Anti-Corruption and Anti-Money Laundering Policy will be implemented alongside a waste management program emphasizing recycling across all developments.

Finally, the third company is also working towards establishing a Code of Ethics. Additionally, this organization will implement an Anti-Corruption and Anti-Money Laundering Policy with training and develop a comprehensive waste management program for all developments that addresses hazardous materials and promotes recycling initiatives.

SABS DISCLOSURE TOPICS, 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 has 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 has not been involved in any legal proceedings associated with marketing and communication of financial product related information.
FN-AC-270a.3	Description of approach to informing customers about products and services Nexxus	<p>Nexxus operates private equity real estate and private debt funds, offering a wide range of actively managed investment products to a predominantly institutional client base. As per the Funds 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 the particular Funds. 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. 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.

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	<p>Nexus workforce includes 35% women and as part of our ongoing commitment to diversity, inclusion and equality across the firm, Nexus participates with INROADS, an NGO that seeks social mobility by providing job opportunities and training to outstanding students from vulnerable backgrounds. Nexus 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.</p>
FN-AC-270a.2	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>Nexus manages US\$828 million in assets, distributed as follows: 19% in growth equity investments targeting Mexican and U.S. companies, 50% in growth equity investments focused on Iberian (Spain and Portugal) companies, 28% in private debt in Mexico, and 2% in industrial real estate.</p> <p>Nexus has built an institutional corporate governance platform following best practices and compliance guidelines supported by a solid technological infrastructure. At the investment level, Nexus conducts a materiality analysis to identify key sustainability performance indicators (KPIs) for specific business models. Nexus has designed an action plan for future investments in which sustainability policies are followed at each stage of the investment cycle, including the integration of sustainability 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, aiming to identify linkage risks. We apply the European Development Finance Institutions (EDFI) exclusion list, which refers to activities, operations, or industries that raise critical environmental, social or reputational risks, including carbon-intensive activities.</p> <p>Due Diligence: Evaluate and document material sustainability risks as part of the investment process. Formal documentation of sustainability considerations is required in all new deals. Investment Committee: Include key risks and opportunities in the Investment Committee discussions and memorandums as they relate to the target company. Draft a mandatory action plan for the portfolio companies to be implemented in the next twelve months.</p> <p>Engagement: During the holding period and until the exit, we work with portfolio companies by monitoring their sustainability performance, identifying, and responding to opportunities to create value and manage risk.</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	<p><u>Strategy.</u></p>

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 our Responsible Investment Policy, which stablish our approach to integrating the consideration of ESG risks and value creation opportunities, including anticorruption 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>Nexus 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 Nexus, 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 complaint may be reported through the following means:</p>
		<p>Email: denuncias@nexuscapital.com</p>
		<p>Website: www.nexuscapital.com.</p>
		<p>Nexus 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>
FN-AC-000.A	Total assets under management (AUM)	<p>Finally, Nexus 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>
		<p>Nexus manages US\$828 million in assets, distributed as follows: 19% in growth equity investments targeting Mexican and U.S. companies, 50% in growth equity investments focused on Iberian (Spain and Portugal) companies, 28% in private debt in Mexico, and 2% in industrial real estate.</p>

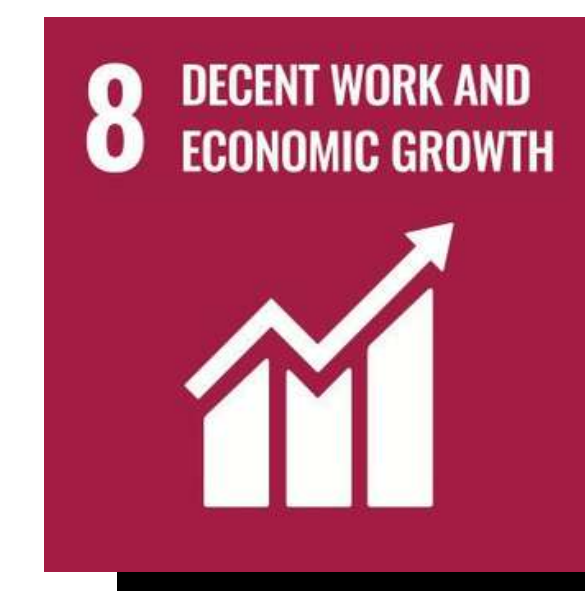
SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS

Through our Responsible Investment Policy, 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.



We aspire to create an inclusive and safe workplace. We help remove barriers by empowering women within our firm, and portfolio companies by providing resources and opportunities to support them.

We also encourage gender representation on company boards through our stewardship activities in 30% Club and Level 20.



We provide access to employment and promote financial inclusivity through our investment initiatives.



We provide increasingly digitized and accessible products, aiming to reduce and remove barriers to increase economic opportunity for our target portfolio companies. Within our organization, we participate with INROADS, an NGO that seeks social mobility by providing job opportunities and training to outstanding students from vulnerable backgrounds.



We are taking steps to reduce our environmental footprint by incorporating climate considerations into our decision-making processes, including climate-related disclosures into our due diligence process and prioritizing that our portfolio companies in the Private Debt Fund disclose their emissions inventory.

If you would like any further information on Nexxus' approach to sustainability, please feel free to contact:

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