

NORSELAB

Helping meaningful technology companies grow

Meaningfulness Report

NORSELAB FUND I

May 2021



About the report

Norselab's First Meaningfulness Report

This is Norselab's first Meaningfulness Report, as Norselab Fund I was established during the second half of 2020. The report is established as part of Norselab's commitment to meaningful and responsible investments, but it also answers to our regulatory obligations.

In this report, we aim to shed light on our impact philosophy, and how we translate this into practice through both our strategy and our daily dealings.

We will provide details on how our investment scope unites with sustainability considerations, and how our way of exercising active ownership improves awareness, engagement and accountability towards sustainability impacts across our portfolio.

As the UN Sustainable Development Goals (SDGs) provide the lens through which we define "sustainability", we have worked on aligning all our portfolio companies with the relevant goals and underlying targets and indicators. For

each of our portfolio companies, this report will show which global challenges they tackle, and how their products or services contribute concretely to the achievement of one or several of the SDGs.

However, our clear intention is not to focus on our companies' operations, but rather on the impact created by their products and services. This approach differs from the more traditional ESG approach, where marginal information about operational activities is at times favored over information about the positive or negative impacts of the company's revenue-generating products and services..

At Norselab we believe it's essential to create an intrinsic tie between a company's core business and the way they create impact. By doing that, we align social and environmental interests with economic interests, shaping companies that will create more impact with every new customer or user.

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“ Happy People.
Healthy Planet.
Thriving Business.”

Norselab's vision

1. Word of the CEO

Dear Norselab Stakeholder,

2020 has been an eventful year. Norselab Fund I was established in June 2020 with the goal to create both long-term positive capital returns and net impact through investments and extensive involvement in a portfolio of meaningful technology companies entering the growth stage.

Based on several years' experience as investors and co-founders of technology startups, we identified several emerging trends that are positively impacting the Norwegian startup ecosystem, setting the scene for new opportunities in the venture segment.

The first trend was the ongoing boom in the Norwegian startup community. In about a decade, the startup environment had grown from next to nothing and into a vibrant, densely populated community of high-potential startups.

The second one was related to Norway's current transition from an oil-heavy economy to a more sustainable one. The green push, driven by authorities, businesses and consumers alike, led to freeing up of both capital and top talents. These essential inputs are now available for the startup community, boosting its potential.

“Several emerging trends are positively impacting the Norwegian startup ecosystem, setting the scene for new opportunities in the venture segment.”

Finally, we observed that, despite the now significant tech startup community, there were very few capital players capable of funding and supporting tech companies through scaling and growth. This means that they have scarce chances of finding investors that can help them grow and prepare for large, international VC players.

Norselab Fund I was established to benefit from these powerful structural trends, as well as the opportunity offered by the current gap in the funding market for growth companies.

As the Fund completed its first and second rounds of closing in the second half of 2020, investors included a wide

range of successful Norwegian tech founders, as well as significant family offices and the Norwegian Government's investment arm, Investinor. We closed the year with NOK 600 million in committed capital, with fundraising continuing into 2021.

Whereas the pandemic has hit global economies hard, Norway has continued to provide a favourable environment for activities such as Norselab's. The initially identified trends have further reinforced since the establishment of the Fund; the ongoing pandemic has boosted awareness towards the need for digitization and technology development across all verticals. In addition, the idea that sustainability needs to be at the top of everyone's agenda is becoming increasingly mainstream. As both technology and sustainability are integral parts of our investment scope, the pandemic is therefore positively affecting our investment activities.

As you will learn in this report, Norselab also has an uncompromising focus on industries. Why? Because traditional industries still have a long way to go to reap the benefits of digitization, and this is impeding their ability to contribute to a more sustainable future. The industries we invest in are cornerstones in the functioning of our societies. They have huge, environmental footprints, so this is where change is most direly needed. This is also why we talk about meaningful investments; Helping these industries change may be our single biggest opportunity to create large-scale positive impact.

With the SDGs being our compass for positive impact, industries as our terrain and technology as our vehicle, we believe we can invest for both superior returns for our shareholders, and positive impacts for people, planet and business.

This report accounts for our starting point and current progress towards our goals. However, we aim for a top-of-the-range approach to meaningful investments, and all stakeholders can expect us to work relentlessly to fulfil the commitments you will read about in this report. We will also strive to constantly up our game, adjusting our commitments towards industry-leading standards.

We hope you will find this account of our efforts to create meaningful change useful and enjoyable.



Erik Syvertsen, CFA
Chief Executive Officer
Norselab Investment Management AS

A handwritten signature in purple ink, reading 'Erik Syvertsen'.

2. Our Point of View

Launching a fund for *net positive impact*

Norselab launched its first venture fund - Norselab Fund I - with the ambition to create positive long-term capital returns alongside net positive impacts through investments and extensive involvement in a portfolio of meaningful technology companies.

As we prepared for the launch of the fund, we carried out ample analyses of market trends, identifying the opportunities we believe will provide the best returns in the long run. Our analyses pointed out sustainability-driven behaviour, a data-driven future, and purpose-seeking talents as key opportunities within the next decade.

We also identified that - although these trends have already come into play in the consumer world - they have not yet fulfilled their potential in the industrial and business worlds. Here, a significant shift is yet to come, and these trends will create the foundation for a new generation of successful industry companies; companies with data-driven business models that respect the

environment, contribute to society and provide fulfilling workplaces.

These analyses did not only provide insights into investment opportunities. As we integrated the findings into the strategy of the fund, we also eliminated a large share of potential sustainability risks. Our investment scope is limited to industry-related technology companies with the potential to create positive impact for people and planet. This means that most companies exposed to significant sustainability risks will not come into consideration for an investment by the Fund.

Both our investment objective and investment scope point to the integration of sustainability at the core of our business. Not only do we aim to invest in companies that will produce positive impacts, but we aim for net positive impacts. This means that we will only settle for investments we believe will create positive impacts that outweigh the negative.

Norselab at a Glance



Capital raised
in 2020



Investments in
2020



Industries



SDG aligned
companies



SDGs targeted by
portfolio

A Balancing Act

At Norselab, we share the belief that investing meaningfully and responsibly is the only way of generating superior returns in our future world. It is no longer a question of philosophy or ideals, it is the responsibility and necessity of any investor to make sure that we move our world in a direction where our planet stays healthy, people lead fulfilling lives, and businesses thrive.

This is reflected in Norselab's vision - healthy planet, happy people, thriving business - as well as in our investment scope. To invest responsibly, we choose to support industry-related technology companies with a net positive impact for people and the planet.

Here is why.

“ At Norselab, we ask:
Where and how can we create positive impact, fast? ”

Large Industries, Massive Impact Potential

The way we use our resources today is rapidly depleting opportunities for future generations. There is no doubt anymore; the state of our planet requires action now.

At Norselab, we ask: Where and how can we drive positive change, fast?

The backbone of all economic activity, our industries, carries heavy responsibility for the state of our planet and societies. Everything we produce, use and throw away requires resources and leaves a mark on our world. Traditional industries

in particular have a long way to go to combat resource gluttony and reduce pollution.

However, most of these industries - e.g. agriculture, real estate and shipping - are essential to our world; they will subsist, but they must transform into substantially more sustainable economic activities.

At Norselab, we believe that transforming the way these industries work is our single biggest opportunity to create positive impact at scale.

“ We believe that transforming the way these industries work is our single biggest opportunity to create positive impact at scale ”

Today, technology opens up to radical change in these industries. Digitalization and data empower us to discover connections and interdependencies that we cannot access in an analogue world.

We can use this foundation to rebuild our economic activities in ways that are vastly more respectful of our environment, that contribute to mitigating climate change and that benefit our societies.

Technology will allow radical improvements notably in terms of resource efficiency, reduction of emissions, transparency and compliance. These are all impacts that have been singled out as essential factors for reaching the Sustainable Development Goals.

At Norselab, we aim to light the way for more sustainable industries. We want to empower indispensable, global industries to make the most of every available resource and leave the smallest possible footprint.

That is why we invest in technology companies that enable these industries to change; companies that upend outdated, inefficient and opaque value chains and replace them with radically improved and more sustainable ways of working.

Many of the great, catalytic shifts that need to happen - such as developing clean energy sources - will take time.

Enabling resource efficiency across our traditional industries will create impact, starting today.

Norselab's Current Portfolio Targets 5 Industries:



Construction
& Real Estate



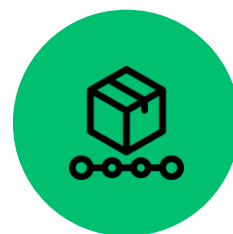
Maritime



Human
Resources



Agriculture



Supply
Chain

Beyond ESG: Investing in “Impact Native” Companies

Our approach to impact differs significantly from more traditional ESG thinking. Where ESG tends to reward companies for operating in a certain way, Norselab looks to the downstream impacts of the products and services of the companies we invest in. We focus on what happens when the products or services of companies are put to use.

We believe that the most efficient way of contributing to a more sustainable world, is to make sure that impact and profit go hand in hand. That happens when a company's product or services are designed for impact; when they generate

positive change in the same way that they make money.

We want every new customer of our companies to count; we want to see that, once they start using the company's product or service, they contribute to changing their industry for the better. This is what we call “impact native” companies, and it's the key pillar of our approach.

Every single company in our portfolio has to live up to this criteria. When they grow, their positive contribution to the world grows proportionally.

3. Our Commitments



Our Meaningfulness Policy

At the launch of the Fund, we had a clear vision for how we wanted to invest for meaningful change.

To provide transparency, predictability and accountability for all stakeholders with regards to Norselab's investment practices, we shaped our own Meaningfulness Policy.

The Policy outlines our approach and confirms our adherence to two sets of

reference principles; the UN Global Compact and Principles on Responsible Investments (PRI).

In addition, the Policy details ten bespoke principles, stating Norselab's commitment to the Sustainable Development Goals and how we intend to implement and follow up on our dedication to advancing the Goals.

Access the full policy [here](#).

Reference Principles We Adhere to



The PRI is the world's leading proponent of responsible investment.

It works:

- to understand the investment implications of environmental, social and governance (ESG) factors;
- to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

The PRI acts in the long-term interests:

- of its signatories;
- of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

The PRI is independent. It encourages investors to use responsible investment to enhance returns and better manage risks, but does not operate for its own profit; it engages with global policymakers but is not associated with any government; it is supported by, but not part of, the United Nations.

Norselab is an official signatory of the PRI.

Access the 6 principles [here](#).



United Nations
Global Compact

As a special initiative of the UN Secretary-General, the United Nations Global Compact is a call to companies everywhere to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption.

Their ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through accountable companies

and ecosystems that enable change.

With more than 12,000 companies and 3,000 non-business signatories based in over 160 countries, and 69 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative — one Global Compact uniting business for a better world.

Access the 10 Ethical Principles [here](#).

Norselab's Principles on Meaningful Investments

1.

Through all our dealings, we will strive to create positive change for business, people and planet with the SDGs as strategic framework

2.

We aspire to lead the way in our industry on how responsible and sustainable practices can permeate and define investment analyses, investment decisions and portfolio management.

3.

We adopt a long-term perspective and will only invest in impact native companies. Positive impact should be at the core of their business model in such a way that the adoption of their products or services generate positive impact towards SDG parameters.

4.

We will refrain from investing in companies with negative impact on any of the parameters of the SDGs.

5.

We are active owners and will work with our portfolio to promote strategies in line with the SDGs and to implement relevant measuring and reporting on their impact.

6.

We will hold our portfolio companies accountable by their SDG indicators just as much as by their financial indicators.

7.

We strive to provide market leading transparency in how we integrate the SDGs into our investment decisions and portfolio management. We will publish a report on our Meaningful Investment Practices and the progress of our portfolio at least annually.

8.

We expect portfolio companies to comply with all applicable laws and regulations as well as the ethical principles of the UN Global Compact, in addition to the principles set forth in this policy, when relevant. Should a company willingly breach with these principles - or prove unable to comply with these principles - Norselab will as a last resort refrain from continued participation.

9.

We will strive to be in the forefront of our industry when it comes to transparency and disclosure across all impact parameters, including proactively seeking to adopt best-in-class measuring and reporting tools.

10.

We will assiduously promote our approach to meaningful investments in the investment community to increase acceptance, adoption and desirability of investments that help advance towards the SDGs.

Sustainable Development Goals: at the Heart of Our Approach

A Framework for Meaningful Impact

The SDGs are a globally recognized framework for designing a future where economic growth does not compromise the safekeeping of the environment and the well-being of people and societies.

They provide a comprehensive map of need, risk and opportunity in our current and future world - and thus a solid strategic prism through which we can meaningfully and successfully invest in new and growing businesses.

Moving away from a superficial approach to achieving sustainability through investments, we make it our mission to support and accelerate companies with the potential to create net positive impact across parameters defined in the

SDGs.

We fully recognize our responsibility for contributing to the achievement of a sustainable future for all, as well as the vast opportunities that will arise as we embrace this responsibility. Our conviction as investors is that portfolios that use SDGs as a strategic framework will provide superior long-term risk-adjusted returns.

The SDGs are at the heart of our Meaningfulness policy; it's the framework we use to define "sustainability" and "positive impact" across all our investment activities, and are explicitly mentioned in seven out of ten principles.

A Reflection of Our Industry Focus

Norselab's portfolio as of 2020 targets seven different SDGs. The SDGs targeted by our portfolio are a reflection of our focus on technology companies that enable sustainable change within traditional industries.

Our current portfolio holds 2 agtech companies, both targeting the Zero Hunger goal (SDG 2), as they enable resource efficiency in farming globally.

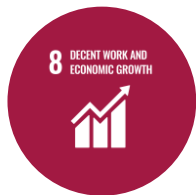
Several of our other companies, ranging from supply chain to maritime and real estate, carry the potential to upend current ways of working in their respective industries. The technologies they offer may spark the sustainable

transition in these industries, as detailed in SDGs 8 (Decent work and economic growth) SDG 9 (Industry innovation and infrastructure), and SDG 12 (Responsible consumption and production).

As our portfolio companies are heavily data-driven, many of them offer the ability to present insights designed to generate awareness and knowledge in their industries. Contributing to building capacity towards climate action, they positively contribute to SDG 13, climate action.

Details about the concrete contributions of each portfolio company follows in section 5 of this report.

SDGs and the Norselab Portfolio





4. Aligning Practice with Philosophy

Why active ownership matters

Norselab practices what we tend to call “hyper active ownership” into our portfolio companies. Generally acquiring a significant minority share and taking on board positions, we also follow up on our companies through frequent dialogue with the leadership team and heavy involvement in strategically important processes.

In most cases, this provides the opportunity to directly shape and influence the companies with regards to their sustainability focus.

In line with our policy, we focused on what we believe brings the greatest results in terms of sustainability: working on portfolio companies’ business models and service offerings to enable them to drive both profit and positive impact.

Our high degree of involvement in portfolio companies also contributes to raising awareness and increasing buy-in among CEOs with regards to the necessity of building companies with a triple bottom line.

“As owners, we focus on what we believe brings the greatest results; working on portfolio companies’ business models and product offerings, enabling them to drive both profit and positive impact.”

Through our hyper active ownership model, which includes weekly collaboration with management of our portfolio companies, we are also able to detect and react to any potential sustainability risks without delay.

The influence provided by our position as a significant shareholder in most of our

portfolio companies also gives us the opportunity to effectively counter and/or eliminate risks if they should arise.

No such risks occurred in our portfolio in 2020.

Investment Process

Norselab's investment decisions and sustainability stewardship are closely linked together.

In our investment process, we evaluate the company's fit with our investment scope, the business opportunity and the impact potential. However, prior to the investment decision, Norselab's investment team and the founders develop a growth plan, outlining focus areas and improvements that are conditional to our investment.

These conditions often include a requirement to sharpen the company's ability to drive impact through their

product offering, alongside conditions such as review of strategic direction, change in product roadmap, rebranding of the company, to name some examples.

As central owners, we often take on key roles in carrying out the plan together with the company's leadership team. This role enables effective stewardship, by enhancing both value creation and impact potential of our portfolio.

By intertwining the investment process and our stewardship role, otherwise seen as separate, we are able to influence our portfolio companies in a highly efficient manner.

“Prior to the investment decision, Norselab's investment team and the founders develop a growth plan, outlining focus areas and improvements that are conditional to our investment.”

Key Points of Progress in 2020

Norselab's focus from fund establishment to year-end has been on implementing the commitments outlined in our Meaningfulness Policy. Although we have made progress, some of the principles in the policy are yet to be fulfilled. Our work continues into 2021 and beyond. As we

also intend to regularly update our commitments in line with industry-leading standards, we will need to be forward-leaning and dynamic in our approach.

Here is an account of the four areas we focused on in 2020.

1. UN Sustainable Development Goals (SDGs)

Efforts have been made to map our portfolio's alignment with the SDGs, and to set up a reporting framework to monitor progress. Collaborating with the leadership teams on this work has had several positive effects.

One of the notable benefits is that the process contributed to raising awareness towards sustainability among portfolio leadership teams. By emphasizing the importance of companies' contributions to the SDGs, we influence the companies' strategic choices.

Supporting the idea that sustainability is an important means to create better businesses in today's world, CEOs are encouraged to develop product offerings designed for impact.

Additionally, the development of the reporting framework has allowed us to document our portfolio's current contributions and provided meaningful metrics to follow up on their progress. The reporting framework is in the process of being implemented into the companies' quarterly reporting scheme.

Our mapping and reporting frameworks are still work in progress, and we strive to continue our efforts into 2021. There is room for improvement both in terms of impact mapping and metric relevance that we aim to address in the year to come.

2. Principles on Responsible Investments (PRI)

Norselab became a signatory of the PRI in 2020, formally committing to the six principles on responsible investments, including annual reporting to the PRI.

Although reporting is optional in a signatory's first year, we decided to complete the reporting, including some of the PLUS-modules, that remain optional

also beyond the first reporting year.

The reporting has allowed us to gain a deeper understanding of the principles and signatory requirements. We believe that the optional reporting has also built Norselab's internal competence, and prepared us for a significantly enhanced report next year.

3. Third-party Impact Assessment

Identifying a third-party assessment service to estimate the net impact of our portfolio has been a priority for 2020. We believe third-party assessments may bring further credibility to our approach, and allow us to refine our priorities in a targeted way. Analyses are currently in process, and we aim to implement the assessment tool in 2021. This will offer a

consistent way of screening, measuring and monitoring sustainability related impacts in all our portfolio companies. The method will also provide aggregated data on portfolio level, and enable comparison with other funds.

4. Dedicating Internal Resources to Sustainability

At the launch of Norselab Fund I, a Chief Communications and Sustainability Officer was appointed. This has allowed Norselab to dedicate sufficient resources to building a distinctive and coherent approach and enshrine it through our Meaningfulness Policy.

The Sustainability Officer is also in charge of ensuring day-to-day coordination, follow-up and competence building

across our organisation. The role also assumes responsibility for creating understanding and adherence to our approach across the portfolio.

This dedicated role has also allowed us to contribute more actively to the ecosystem on sustainability. We actively network with peers on sustainability-related issues to enhance competence on both sides of the table.

5. Our Portfolio



“ Send files,
not parts. ”

Introducing Ivaldi

Ivaldi Group's vision is to create global spare parts supply chain; the right parts are manufactured on demand when and where needed, saving costs, time and carbon footprint, while providing safe and durable parts. Ivaldi offers a software and service suite including analytics, digitization and certification of inventory, a digital library/warehouse as well as a

network of qualified print partners. Ivaldi is building the sustainable future of supply chain by reducing the need for inventory, warehouse storage, material waste and logistics. Ivaldi Group also includes Reverb Industrial Inc., holding unique additive manufacturing technologies.

Industry



Supply Chain

Locations



San Leandro, USA (HQ)

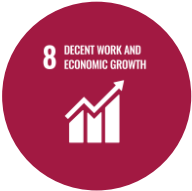
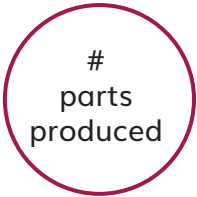



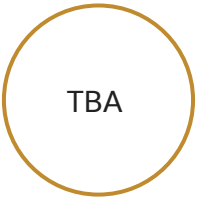
Oslo, Norway

Guadalajara, Mexico



Global Issues Ivaldi is Tackling

- Global supply chains rely largely on large storage facilities, and polluting transport systems.
- Spare parts are produced prior to demand, leading to obsolescence of parts in storage and waste of material resources.
- Traditional supply chains are vulnerable to major global events, as demonstrated by Covid-19 this year.

SDG	How Ivaldi Contributes	Metric
 Target 8.4	By digitizing spare parts, Ivaldi allows for digital distribution and local manufacturing, leading to reduced emissions and significant improvement of resource efficiency while saving costs.	
 Target 9.4	Ivaldi introduces environmentally sound technologies into traditional supply chains. Digitization of spare parts enables Ivaldi's customers to send files instead of physical parts, reshaping their supply chains.	
 Target 12.5	Ivaldi's manufacturing process allows customers to produce solely the spare part they need. Recycled materials can be used in the manufacturing process, and cutoffs can also be rerouted into the production.	

Impact potential



High

Spare part supply chains are critical to all industries relying on heavy machinery. Ivaldi's product offering may directly influence how spare parts are manufactured and distributed.



“ Find your people power. ”

Introducing Qlearsite

Leaders need to know their people and the issues affecting performance across their organisation. Qlearsite uncovers and presents them in an intuitive and actionable way.

What sets Qlearsite apart from the rest is that their insights go beyond check boxes: They ask fewer, better questions,

at the right time, in a language employees understand.

They are leaders in language analysis and experts in uncovering rich, deep insight hidden in words.

Qlearsite was named “Cool Vendor” by Gartner in 2018.

Industry



Human Resources

Locations



London, United Kingdom



Global Issues Qlearsite is Tackling

- Organizations are often unable to effectively act on bias, discrimination and other welfare issues in the workplace due to the lack of adequate insights and clarity of action.
- Many surveying tools provide little or no understanding of the intangible feeling of inclusion and well-being at the workplace.
- Organizations lack awareness towards the type of actions that may resolve workplace issues related to diversity and inclusion.

SDG target

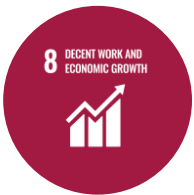
How Qlearsite Contributes

Metric



Target 5.5

Qlearsite's "deep-listening" survey platform enables measuring of sentiments and feelings in employees, equally and fairly. This empowers organizations to reduce bias and discrimination the workplace.



Target 8.5

By allowing employers to connect with their people and understand the issues that bother them in the workplace, organizations may improve working lives and welfare of employees.



Impact potential



Moderate

Qlearsite provides high-quality insights and courses of action for employers to improve diversity and inclusion, and to measure progress based on employees' sentiments or feelings.



“ Setting the standards for convenient, transparent and responsible ocean procurement. ”

Introducing Vanora

Vanora is the premier, global platform for responsible ocean procurement, lifting the standard for transparency and compliance in the traditionally manual and opaque procurement processes.

Vanora makes it easy for charterers to see the entire vessel market, including information about sustainability

footprints as well as technical specifications as part of the decision base.

This enables charterers to make economical and sustainable choices, and vessel owners to showcase their green initiatives to the world.

Industry



Maritime

Locations



Oslo, Norway



Global Issues Vanora is Tackling

- Fuel-heavy, polluting vessels and overcapacity dominate the ocean industry.
- Current chartering systems and procurement processes are largely inefficient and opaque, impeding industry professionals' ability to effectively make sound decisions.
- Environmental impact of vessels is not a mainstream criterion for everyday decision-making. Lack of awareness and transparency prevents companies from following through with their environmental ambitions.

SDG target



Target 9.4



Target 13.3

How Vanora Contributes

Vanora helps reduce emissions from vessel operations through enabling vessel sharing. By splitting the contract invoice between multiple charterers, they can effectively share a vessel.

Vanora builds knowledge and capacity to climate action. Through the vessel green score, charterers become aware of each vessel's footprint, and can choose the vessel with the best environmental performance.

Metric



Impact potential



Moderate

Vanora aims to improve an industry with high negative impact with services that enables industry professionals to make more sustainable decisions in their procurement processes.



“ The future of farming in your pocket. ”

Introducing Farmable

The global population will hit 10 billion by 2050. Farmable wants to help solve the challenge of producing 70% more food without extending farmland, and while preserving our planet.

By reinventing how fruit and vegetable farmers gather, organize and use their data, Farmable will help them improve

yields while taking better care of the environment.

With Farmable, field operators and farm managers may efficiently track, monitor and record operations through mobile phones, reaping the benefits of precision farming.

Industry



Agriculture

Locations



Svelvik, Norway



Global Issues Farmable is Tackling

- The global population will reach 10 billion by 2050, demanding that we produce 70% more food than today.
- Farmland will only expand by less than 5%. Farmers need to find more efficient and sustainable ways to grow more food without depleting other resources. Precision agriculture will allow farmers to grow more produce, with less input.
- Crop farms are currently underserved in terms of precision agriculture solutions, impeding their ability to produce more healthy food in a resource-efficient way.

SDG target



Target 2.4

How Farmable Contributes

Farmable improves agricultural yield by gathering and organizing farm data. Transformed into actionable insights and recommendations for the farmer, he/she may optimize production and grow more food.

Metric



Target 12.4

Farmable calculates the exact amount of chemicals needed to spray a specific field, and ensures that all rows are sprayed, but sprayed only once. This reduces the total amount of agrochemicals used in fields.



Impact potential



High

Farmable addresses a large, global market which is expected to grow significantly over the coming years. Their product offering is designed for mass adoption in an underserved segment creating high impact potential.



“ Sustainability in every building. ”

Introducing Varig

Varig wants to empower people that operate or use buildings to make sustainable choices. A data-driven and easy-to-use solution inspire decisions that create positive impact for people and the planet.

Varig is aiming to become an intelligent and proactive insight provider for all

players in the property business to help them act on the parameters that matter.

By taking the right actions, users of Varig may contribute to reducing the environmental footprint of buildings and increase resource efficiency by extending their lifetime.

Industry



Real Estate

Locations



Oslo, Norway



Global Issues Varig is Tackling

- The property industry uses 40% of the world's resources and generates 40% of global pollution.
- Knowledge is still in the hands of experts and is not widespread enough to produce a significant shift in the industry.
- Materials are increasingly scarce; therefore, the industry needs to convert to a more circular model and increase resource efficiency.
- We tend to demolish buildings and build new ones instead of renovating, which may be considerably more sustainable.

SDG target

How Varig Contributes

Metric



Target 8.4

By capturing building data, Varig showcases how each building's emission, energy and material intensity compare to those of other buildings. This transparency triggers building managers to take action to improve their buildings' performance.



Target 12.2

The Varig dashboard provides an overview of the material footprint for each building. This raises awareness towards the environmental impact from building materials, and informs stakeholders on the importance of resource efficiency.



Target 13.3

Varig builds knowledge and capacity to climate action. Varig's tenant engagement module educates building users on how their actions affect the environment and climate.



Impact potential



High

Varig's services are targeted towards a gigantic industry with a large environmental footprint. By enabling users to make decisions that matter for the environment, Varig has a high impact potential.



Svenn

“ A proud and responsible building community. ”

Introducing Svenn

Svenn provides construction businesses with solutions to focus on quality, reliability and proud craftsmanship.

Their aim is to help managers run their companies in a responsible way, enabling their workers to focus less on tedious paperwork and more on the work they love.

The company was originally established in 2014 out of a Norwegian real-estate development company, but stepped up the efforts from 2017, when the current product offering was developed and launched.

Industry



Construction

Locations



Trondheim, Norway



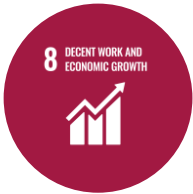
Global Issues Svenn is Tackling

- 40% of waste, energy and emissions are consumed or generated by the construction industry.
- Rework causes wide-ranging squandering of human and material resources. Contractors lack communication tools and quality routines to ensure every job is executed correctly the first time.
- Buildings are frequently being demolished due to poor quality in materials and/or construction, leading to poor resource efficiency.

SDG target

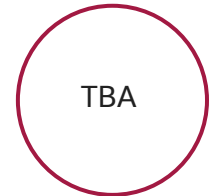
How Svenn Contributes

Metric



Target 8.4

Svenn helps reduce the material footprint of buildings. By offering precision data about material use and quality deviations, Svenn contribute to significantly reducing waste of resources in the building process and eliminates squandering of resources due to rework.



Target 12.2

With the help of Svenn's Quality Assurance-module, contractors may deliver better overall quality in construction projects. This increases the proportion of buildings that are made to last and contribute to more efficient use of resources through prolonged lifespans of buildings.



Impact potential



Moderate

Construction is among the world's most resource-intensive and polluting industries. The incremental change Svenn enables may produce significant positive impact at scale .



“ Healthy pastures at the touch of your fingertip. ”

Introducing Nofence

Nofence is the first company in the world to develop digital fences for livestock. By replacing the need for physical fences both infield and outfield, they make it easy for farmers to keep livestock on pastures.

The technology can help reduce the environmental footprint of meat

production through increased utilization of pastures, optimization of grazing rotation and an extension of the grazing season.

The solution consists of a GPS collar and an app where farmers draw their digital fences and follow the movements of the grazing livestock on their smartphones.

Industry



Agriculture

Locations



Warwick, United Kingdom
Batnfjordøra, Norway



Global Issues Nofence is Tackling

- Meat production relies - in some parts of the world - on deforestation and/or occupation of farmland for the purpose of feed production (soy, corn etc.)
- Many farms have large unused land areas, but lack tools to make it productive. Today, physical fences limit farmers' ability to effectively use their outfields for grazing.
- Grazing rotation provides higher yields per area in livestock farming. Yet, farmers do not have access to insights enabling optimal rotation.

SDG



Target 2.4

How Nofence Contributes

By enabling grazing in outfields, improved grazing rotation and prolongation of the grazing season, Nofence contributes to a more sustainable meat production and maintenance of healthy ecosystems both infield and outfield.

Metric



Impact potential



Moderate

The global grazing market is enormous - 190M cattle in Europe/US. Nofence may contribute to extending pastureland and improving the environmental footprint of meat production.

6. The Way Forward

Where We Stand

Norselab aims for a top-of-the range approach to sustainable investments. Our Meaningfulness Policy, combined with our commitments to the ethical principles of the UN Global Compact and the PRI, provides a clear roadmap for our future actions. Despite our progress during the first six months of the Fund's existence, we still have a way to go to live up to all our commitments.

In particular, we need to work on documenting our processes to provide full transparency and accountability with regards to our progress.

The sustainability landscape is also rapidly evolving; new market demands, regulations and frameworks are gaining momentum and ask that we stay dynamic and open to adjustments.

The most notable development, in our view, is the upcoming implementation of the EU Taxonomy Regulation, which we believe will set new standards for how we talk about- and work with sustainability.

In this section, we will outline five areas we wish to focus on in 2021, and the corresponding goals we aim to achieve.

“ New market demands, regulations and frameworks are gaining momentum and ask that we stay dynamic and open to adjustments. ”

Where We Want to Go

1. Addressing the Investment Process

As a small, tight-knit team with highly agile working methods, we tend to prioritize quality of work and executional speed over formal processes.

We are very much aligned on our approach to sustainability, and how we believe impact should happen. This demands that we make an additional effort to document how we assess companies' impact in the pre-investment phase.

In 2021, we wish to implement a clear, predictable impact assessment scheme into the investment process. The aim is to effectively map and evaluate a company's contribution to the SDGs, as well as the potential magnitude of the company's potential impact, before the investment decision is made.

2. Improving Impact Measuring

The Fund's investment objective and investment scope both state that we will invest in companies creating "net positive impact" towards the SDGs.

While it may be easy to spot the positive contributions of a company, it may be more complex to fully understand its potential negative impacts. When seeking to confirm that the positive impacts of the company outweigh the negative, this adds another layer of complexity.

To measure, monitor and follow-up on our commitment to generate net positive

impact, we require a solid methodology and reliable metrics. This asks for deeper and more comprehensive sustainability expertise than Norselab will be able to build internally.

In 2021, we will continue our process to implement a third-party quantification method for positive and negative impacts. The aim is to establish a reliable and consistent way of measuring net impact that we can use across our processes; investments, follow-up and reporting.

3. Implementing the EU taxonomy

The EU Taxonomy Regulation enters into force in 2021, and requires financial market players such as Norselab to report on their portfolio-level alignment with the Taxonomy as of 2022.

The Taxonomy represents a significant shift in how investors may define impact. It is not enough to focus on standalone metrics or efforts - such as carbon saved or improved recycling.

The Taxonomy defines whether the economic activities of portfolio companies are consistent with sustainability altogether. The Taxonomy is binary: the activity may be classified as sustainable, or not.

It is not designed to allow comparison of companies' performance, but to define whether or not the activity is consistent

with the EU's climate targets.

As an Investment Manager focusing on investments with net positive impact, we warmly welcome these new regulations. We believe that these new regulations will strengthen Norselab's approach, as they are likely to reduce some of the noise around sustainability and define a new, more transparent and less subjective standard for sustainability.

In 2021, Norselab will develop a step-by-step framework for evaluating our portfolio companies' eligibility and alignment with the EU Taxonomy Regulation. All companies in the portfolio will be evaluated based on the currently available screening criteria, and results will be published in our 2021 Meaningfulness report.

4. Building competence

Considering Norselab's ambitions and the ever-evolving sustainability landscape, it is essential to keep building our internal competence in the sustainability area. Norselab also requires a solid level of expertise within sustainability to engage meaningfully with the leadership teams in our portfolio companies.

In 2021, Norselab will strengthen the capacity of the internal sustainability team by increasing the total number of hours dedicated to this work, including the recruitment of an additional resource. We will also prioritize training of our staff on relevant sustainability issues, and actively network with peers and other organisations to raise our competence.

5. Deepen dialogue and follow-up of portfolio companies

We have committed to follow up on our portfolio's progress on sustainability metrics with the same assiduity as we do for financial metrics.

As of today, we have implemented a lightweight framework for mapping the companies' contributions to the SDGs, as well as relevant metrics in most cases.

In 2021, we wish to actualize and deepen our dialogue with our portfolio companies on sustainability. We will work to implement sustainability progress into their quarterly reporting scheme, based on the aforementioned framework.

Final remarks

2020 marked the beginning of Norselab's journey for creating net positive impact through investments in meaningful technology companies.

Looking back on the Fund's first six months, we are happy to have made progress, but aware of the road ahead and the commitments that still need to be fulfilled.

The coming year will be a period of acceleration and deepening of our

sustainability efforts. We will work relentlessly on achieving the goals defined in this section - but we will also seek out opportunities to raise the bar for next year.

We aim for next years' Meaningfulness Report to provide improved methodology, higher accuracy and greater depth.

It's a learning journey.

A couple is seen from behind, sitting on a wooden dock that extends into a calm lake. The man on the left wears a grey cap and a tan backpack. The woman on the right wears a white and black beanie and a dark blue jacket with a white constellation pattern on the back. The lake's surface is still, reflecting the dense green forest that lines the opposite shore. The scene is peaceful and scenic.

Thank you for reading!

NORSELAB

Helping meaningful technology companies grow
norselab.com