

+The Directors of the Company whose names appear on the last page of this Offering Supplement accept responsibility for the information contained herein. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Offering Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information as of the date hereof. The Directors accept responsibility accordingly.

Offering Supplement

22nd December, 2021

relating to the offering of non-voting participating Investor Shares in the

Genova Nordic SME Fund

a Sub-Fund of

AI2 SICAV p.l.c.

A collective investment scheme organised as a multi-fund public limited liability company with variable share capital registered under the laws of Malta

Abalone Asset Management Limited

(Investment Manager)

Zarattini International Limited

(Depositary)

Apex Fund Services (Malta) Limited

(Administrator, Registrar and Transfer Agent)

***Important Notice:** This Offering Supplement may not be distributed unless accompanied by, and is to be read in conjunction with, the Offering Memorandum issued by the Company.*

The Genova Nordic SME Fund, a sub-fund of AI2 SICAV p.l.c. (the “Company”) in respect of the Sub-Fund is licensed by the Malta Financial Services Authority (“MFSA”) as an Alternative Investment Fund whose investors are Professional Investors, and fulfils any additional conditions prescribed by the MFSA in relation to collective investment schemes (“Schemes”) available to Qualifying Investors. The Company and its Sub-Funds are not retail Schemes, accordingly the protections normally arising as a result of the imposition of the MFSA’s investment and borrowing restrictions and other requirements for retail Schemes do not apply to the Sub-Funds. Shares in the Sub-Funds may only be marketed outside Malta to Professional Investors as defined in AIFMD. The marketing of the Shares in the Sub-Funds to an investor who is not a Professional Investor as defined in the AIFMD may only be undertaken if allowed by the respective jurisdiction and subject to, where relevant, the national provisions applicable in the respective jurisdiction as prescribed in Article 43 of the AIFMD. The MFSA has made no assessment or value judgement on the soundness of the Company and its Sub-Funds or for the accuracy or completeness of statements made or opinions expressed with regard to them.

IMPORTANT INFORMATION

This Offering Supplement may not be distributed unless accompanied by, and is to be read in conjunction with, the latest Offering Memorandum issued by the Company. The attention of investors is also drawn, in particular, to the section “**Definitions**” and “**Important Information**” in the Offering Memorandum which also applies to this Offering Supplement and the offering of Investor Shares made thereby unless otherwise determined therein.

This offer is an offer only to the person to whom a copy of this document has been furnished by the Company and/or its authorised agents and this on the basis that the person falls within the definition of an Investor as defined in the Offering Memorandum. The Company is not authorised to, and does not intend to, offer Investor Shares to retail investors unless otherwise resolved by the Company and subject to the fulfilment of the national provisions applicable in the respective jurisdiction as prescribed in Article 43 of the AIFMD.

EU AIFMD Status

The Company and its Sub-Fund qualify as an AIF managed by an AIFM in terms of the AIFMD.

Investor Shares in the Sub-Fund may only be marketed outside Malta to Professional Investors as defined in the AIFMD. The marketing of the Investor Shares in the Sub-Fund to an investor who is not a Professional Investor as defined in the AIFMD may only be undertaken if allowed by the respective jurisdiction and subject to, where relevant, the national provisions applicable in the respective jurisdiction as prescribed in article 43 of the AIFMD.

SECTION 1 | DEFINITIONS

Terms used in this Offering Supplement shall, unless otherwise defined or the context otherwise requires, have the same meaning as those defined in the Offering Memorandum.

In this Offering Supplement, the following words shall have the meanings set opposite them:

Offering Period	The period which shall commence on the first Business Day after the Closing Date and shall remain open unless otherwise determined by the Board during which Investors may subscribed for Investor Shares at the Offering Price.
Offering Price	The applicable NAV per Investor Share for each class of Investor Shares in this Sub-Fund which shall be such NAV as calculated on the Valuation Day occurring for the relevant Subscription Day.
Offering Supplement	This Offering Supplement as the same may be amended, supplemented and/or consolidated from time to time.
Redemption Day	The first Business Day after the Valuation Day or such other Business Day as the Board may from time to time determine after the expiration of the Initial Offering Period.
Redemption Price	The price at which the Investor Shares may be redeemed on any Redemption Day, this being the applicable NAV per Investor Share for each class in this Sub-Fund as calculated on the Valuation Day occurring for the relevant Redemption Day, in each case less any redemption fees as may be applicable;
Redemption Proceeds	The Redemption Price multiplied by the number of Investor Shares being redeemed.
Sub-Fund	Genova Nordic SME Fund
Subscription Day	Any day during the Initial Offering Period and the first Business Day following any Valuation Day, or such other Business Day as the Board may from time to time determine, after the expiration of the Initial Offering Period.
Valuation Day	The last Business Day of every month and/or such other day or days as the Board may from time to time determine, provided that where such day is not a Business Day, this shall be the previous Business Day.
Valuation Point	11.59 p.m. (23:59 hours) (CET) on the Valuation Day.

This Offering Supplement shall, in addition, be subject to the same rules of interpretation as those set out in the Offering Memorandum. Please see “**Section 1 | Interpretation**” of the Offering Memorandum for further details.

SECTION 2 | KEY FEATURES

The Sub-Fund and the Investor Shares

Name of the Sub-Fund	Genova Nordic SME Fund
Segregation	The Sub-Fund is a segregated portfolio whose assets and liabilities are to be treated as a patrimony separate from the assets and liabilities of each other Sub-Fund and of the Company. Please refer to the Offering Memorandum for further details.
Sub-Fund Base Currency	SEK (Swedish Krona)
Classes of Investor Shares	The Sub-Fund is comprised of five (5) Classes of Investor Shares: Class A Investor Shares Class B Investor Shares Class C Investor Shares Class D Investor Shares Class E Investor Shares
Share Classes Base Currency	Class A Investor Shares: EUR Class B Investor Shares: USD Class C Investor Shares: SEK Class D Investor Shares: DKK Class E Investor Shares: NOK
ISIN	Class A Investor Shares: MT7000031043 Class B Investor Shares: MT7000031050 Class C Investor Shares: MT7000031068 Class D Investor Shares: MT7000031076 Class E Investor Shares: MT7000031084
Eligibility for Investment	Class A Investor Shares, Class B Investor Shares, Class C Investor Shares, Class D Investor Shares and Class E Investor Shares may only be subscribed for by Investors.
Dividend Policy	It is not the present intention of the Board that the Sub-Fund will pay dividends; however, the Board reserves the right to pay dividends at any time if it considers that a payment of a dividend is appropriate. Income from the Sub-Fund will be accumulated and reflected in the Net Asset Value of the Sub-Fund.
Tax Status	The Sub-Fund is expected to be classified as a Non-Prescribed Fund . Please refer to “ Section 14 Taxation ” of the Offering Memorandum for further details on the tax treatment of Non-Prescribed Funds and shareholdings in such funds.

Investment Objectives, Policies and Restrictions

Investment Objectives

The investment objective of the Sub-Fund is to generate yield and growth of its assets in the medium-long term.

There is no guarantee that the investment objective of the Sub-Fund will be achieved and investment results may vary substantially over time.

Investment Policies

In order to achieve its investment objective, the Sub-Fund will invest in small and medium-sized enterprises (“SMEs”) which are admitted to listing on a stock exchange or on another regulated market (such as, a multilateral trading facility) in the Nordic countries, being Denmark, Finland, Iceland, Norway and Sweden, at least the 30% of its Net Asset Value....

The Sub-Fund may also invest up to 70% of its Net Asset Value in SMEs which will be admitted to listing on a stock exchange or to another regulated market within 6 to 24 months from their acquisition or in unlisted SMEs, provided that these are incorporated in the Nordic countries. There might be instances where these SMEs are ready for a merger or acquisition within the following 6 to 24 months from their acquisition.

The Sub-Fund may also invest in listed or unlisted fixed income instruments such as, corporate bonds and convertible bonds. Such instruments might be rated or unrated. In case where a rating is available, this can range from non-investment grade to investment grade. Furthermore, there is no limitation in terms of fixed income instruments’ duration.

Furthermore, for hedging and/or investment purposes, the Sub-Fund may use all types of financial derivatives instruments (“FDI”) such as, options, warrants and rights on single stocks, which might be traded on a regulated market and/or over the counter.

If the Investment Manager considers it to be in the best interest of the Investors, the Sub-Fund may also hold liquidity in cash deposits and/or invest in money market funds and money market instruments, up to 100% of its net assets.

There is no assurance that the investment strategies to be adopted will be profitable or that a Sub-Fund Investor will not lose some, or all, of its invested capital.

Securities Financing Transactions

The Sub-Fund shall not make use of securities financing transaction, total return swap, repurchase and reverse

Investment, Borrowing and Leverage Restrictions

repurchase agreement and securities lending transactions and therefore it will be not subject to the reporting obligations under Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

The Sub-Fund will not borrow funds to pursue its investment objective and strategies. However, temporary borrowing may result as a consequence of value dates mismatch related to trading, or cash management, operations.

The Investment Manager will limit the leverage employed in respect of the Sub-Fund to 200% of the Sub-Fund's Net Asset Value calculated in accordance with the commitment approach.

The Sub-Fund shall, at the request of investors and without delay, inform them of the maximum level of leverage it may employ, calculated according to the gross and commitment methods, and shall also inform investors of any changes to the maximum level of leverage the sub-Fund may employ at any point in time.

The investment restrictions will not be considered as being advertently breached as a result of investments being disposed of during, if applicable, the liquidation phase of the Sub-Fund.

The Investment Manager will monitor the applicable investment restrictions but shall not be required to take immediate remedial action to comply with any such restriction if: (a) the failure to comply with the restriction resulted from an event which was beyond the control of the Investment Manager; or (b) the Investment Manager deems it advisable, or in the best interest of the Sub-Fund, to dispose of or otherwise take action with respect to the relevant investment.

The Sub-Fund will not engage in collateral or asset re-uses arrangements.

Duration of the Sub-Fund

The Sub-Fund shall be of unlimited duration.

The Initial Offering

Initial Offering Period ("IOP")

The Initial Offering Period will be from the date on which the Sub-Fund is duly authorised by the MFSA until the Closing Date.

Closing Date

December 31st, 2021, unless otherwise resolved by the Board of the Company at its sole discretion and as communicated to the Investors.

Initial Offering Price	<p>Class A – EUR 1,000 Class B – USD 1,000 Class C – SEK 1,000 Class D – DKK 1,000 Class E – NOK 1,000</p>
Number of Investor Shares on Offer	<p>Class A Investor Shares: 75,000,000 Class B Investor Shares: 75,000,000 Class C Investor Shares: 75,000,000 Class D Investor Shares: 75,000,000 Class E Investor Shares: 75,000,000</p>
Fees and Charges	
Investment Management fee	<p>The Sub-Fund will pay to the Investment Manager an annual Investment Management Fee equal to a base fee of 40,000 EUR (fourty thousand euro) plus:</p> <ul style="list-style-type: none"> • Up to 1.625% per annum for Sub-Fund's Net Asset Value up to one hundred million Euro (EUR 100,000,000); • Up to 1.6% per annum for Sub-Fund's Net Asset Value between one hundred million Euro (EUR 100,000,000) and two hundred million (EUR 200,000,000); • Up to 1.575% per annum for the Sub-Fund's Net Asset Value in excess of two hundred million Euro (EUR 200,000,000); <p>The accrual of this fee will be calculated on the NAV of the share class on every Valuation Day and paid monthly in arrears. The Investment Management Fee will be charged during the Initial Offering Period.</p>
Depositary Fee	<p>The Sub-Fund will pay the Depositary 0.05% (zero point zero five per cent) of the Sub-Fund's Net Asset Value subject to a minimum annual fee of 15,000 Euro (fifteen thousand euro).</p>
Administration Fee	<p>The Sub-Fund will pay the Fund Administrator the higher of EUR 24,000 (twenty-four thousand euro) per year or the following:</p> <ul style="list-style-type: none"> - 0.08% for the Sub-Fund's Net Asset Value up to EUR 50 million. - 0.06% for the Sub-Fund's Net Asset Value between EUR 50 million and EUR 100 million. - 0.04% for the Sub-Fund's Net Asset Value in excess of EUR 100 million.
Audit Fee	<p>10,800 EUR per annum plus EUR 675 for any additional unlisted investment beyond the fifth.</p>

Subscription Charge

Up to 5% of the amount invested at the sole discretion and as determined by the Board per subscription received. This Subscription Charge, where applicable, shall be paid to the Investment Manager which shall/may, in turn partially or totally pay them, as applicable, either to any duly appointed, Investment Distributor or to the Investment Manager.

Performance Fees

The Performance Fee is applicable in relation to all Share Classes of Investor Shares. The Performance Fee is: a) calculated and accrued on each Valuation Day; b) crystallized as of the last Valuation Day of each calendar year; and c) payable within ten (10) business days from the publication of the NAV related to the Valuation Day mentioned at the point c).

The Performance Fee is calculated as the 10% of the difference, if positive, between the performance of the relevant Share Class and the one of the Nordic SME Index (the “**Index**”) on a year to date basis.

The Performance Fee calculation formula for each Share Class is as follows:

$$\text{Performance Fee} = 10\% \times (\text{SCP} - \text{IP}) \times \text{SCNAV} \times \text{SCO}$$

Where:

NAVBPFT = NAV per share of the relevant Share Class before accrual of the Performance Fee, on the relevant Valuation Day;
NAVBPFY-1 = NAV per share of the relevant Share Class on the last Valuation Day of the previous calendar year.

$$\text{SCP} = \text{NAVBPFT} / \text{NAVBPFY-1} - 1$$

Index_t = Index level on the relevant Valuation Day;

Index_{y-1} = Index level on the last Valuation Day of the previous calendar year.

$$\text{IP} = \text{Index}_t / \text{Index}_{y-1} - 1$$

SCNAV = the Share Class NAV per share

SCO = the Share Class number of outstanding shares

The Performance Fee shall be calculated without an equalization method, reference is also made to “**Section 5 | Fees, Charges and Expenses**” of this document.

Minimum Subscription, Holding and Redemption Requirements**Minimum Initial Subscription**

Class A Investor Shares: EUR 100,000
 Class B Investor Shares: the USD equivalent of EUR 100,000
 Class C Investor Shares: the SEK equivalent of EUR 100,000
 Class D Investor Shares: the DKK equivalent of EUR 100,000
 Class E Investor Shares: the NOK equivalent of EUR 100,000

Minimum Additional Subscription

Class A Investor Shares: EUR 10,000
 Class B Investor Shares: USD 10,000
 Class C Investor Shares: SEK 10,000
 Class D Investor Shares: DKK 10,000
 Class E Investor Shares: NOK 10,000

Minimum Holding

Class A Investor Shares: EUR 100,000
 Class B Investor Shares: the USD equivalent of EUR 100,000
 Class C Investor Shares: the SEK equivalent of EUR 100,000
 Class D Investor Shares: the DKK equivalent of EUR 100,000
 Class E Investor Shares: the NOK equivalent of EUR 100,000

Minimum Redemption

Class A Investor Shares: EUR 10,000
 Class B Investor Shares: USD 10,000
 Class C Investor Shares: SEK 10,000
 Class D Investor Shares: DKK 10,000
 Class E Investor Shares: NOK 10,000

Notice Periods**Subscription Notice Period**

By 5:30 PM CET, three (3) Business Days prior to the relevant Subscription Day.

Settlement Date

By 5:30 PM CET, one (1) Business Day prior to the relevant Subscription Day.

Redemption Notice Period

By 5:30 PM CET, three (3) Business Days prior to the relevant Redemption Day.

SECTION 3 | THE OFFERING

Share Offer

Up to 375,000,000 (three hundred and seventy-five million) Investor Shares with no nominal value at the Base Currency are on offer. The Investor Shares will be issued with effect from the relevant Subscription Day. Written confirmation will be sent to Investors within ten (10) Business Days of the number and value of Investor Shares purchased. No Investor Shares shall be issued on any Subscription Day on which the determination of the NAV is suspended.

Acquisition of Investor Shares

Purchases of Investor Shares can be made at the prevailing Offering Price, by:

- i. submission to the Company at the office of the Administrator of a properly executed Subscription Agreement including the Investor Declaration Form, the Bank Transfer Instruction Letter and those documents required in the AML Supplement; and
- ii. remitting the related subscription monies.

In respect of each subscription for Investor Shares, the Subscription Notice Period shall run as from the first Business Day following receipt by the Company at the office of the Administrator of both:

- a. the documents listed under (i) above; and
- b. confirmation that the full amount subscribed for the Investor Shares has been received in cleared funds.

The Investor Shares will be issued on the first Subscription Day following the expiration of the said Subscription Notice Period. Full details of the application and subscription process appear in “**Section 19 | Acquisition of Investor Shares**” of the Offering Memorandum.

A specimen Subscription Agreement and Investor Declaration Form may be obtained from the Administrator.

Redemption of Investor Shares

Unless otherwise stated therein, Investors are directed to “**Section 20 | Redemption of Investor Shares**” of the Offering Memorandum where the procedures relating to the redemption of Investor Shares and the conditions applicable thereto are outlined. In terms of the Memorandum and Articles, redemption requests are, once made, irrevocable.

Investors may at any time (subject to what is stated hereunder) irrevocably request the Company in writing to repurchase all or any part of their Investor Shares, subject to a part repurchase not resulting in an Investor holding less than the applicable Minimum Holding threshold, and subject to the Company reserving the right to defer all or part of any redemption request in terms of this Offering Supplement.

The Minimum Redemption amount for each redemption request shall not be less than the amount indicated above. A partial redemption request will not be accepted if this will lead the holding of an Investor in the Sub-Fund to fall below the Minimum Holding requirement.

Such request shall be made using the respective redemption form available from the Administrator and shall be made in such form and manner as determined by the Company from time to time.

Requests for redemption of Investor Shares must be received by the Company in accordance with the Redemption Notice Period prior to a possible Redemption Day. If a redemption request is received after the above-indicated time and date, and subject to the overall right of the Company to defer all or part of the redemptions as provided below, the redemption request will be processed and the relevant Investor Shares will be redeemed on the next following Redemption Day.

Save as aforesaid, there is no restriction on the submission of redemption requests, subject to the right of the Board to defer, suspend or mandatorily redeem the Investor Shares in accordance with **“Section 20 | Redemption of Investor Shares”** and with the provisions of this Offering Supplement.

Requests for the redemption of Investor Shares, which are to be addressed to the Company, will be processed by the Administrator.

Redemption Price

Investor Shares will, when the Company accedes to the redemption request, be redeemed at the prevailing Redemption Price on the relevant Redemption Day, which will be the applicable Net Asset Value per share as calculated on the Valuation Day occurring on the relevant Redemption Day or, where the relevant Redemption Day does not fall on a Valuation Day, the Net Asset Value per Investor Share as calculated on the immediately preceding Valuation Day less such fees or expenses as may be applicable or as the Company may be entitled to deduct or recover therefrom in terms of this Offering Supplement, the Offering Memorandum and/or the Memorandum and Articles. In the event that the calculation of the Net Asset Value has been suspended or postponed, the relevant Investor Shares will, when the Company accedes to the redemption request, be redeemed at the prevailing Redemption Price on the next effective Redemption Day following the resumption of calculation of the Net Asset Value (less the fees or expenses as aforesaid).

Payment of Redemption Proceeds

Once the Company has acceded to the redemption request of an Investor, written confirmation will be sent to such Investor, within ten (10) Business Days from the relevant Redemption Day, containing information on the number and value of Investor Shares redeemed. Normally the Company will arrange for payment of the net proceeds to the Investor within ninety (90) Business Days after the relevant Redemption Day. Payment on redemption may be delayed in the case of extraordinary circumstances, such as the default or delay in payments due to the Sub-Fund from banks or other persons or in the circumstances applicable in case of deferral or suspension of redemption as described in the Memorandum and Articles, and the Offering Memorandum.

Payment will be made to the Investor in the form of a bank cheque, electronic transfer or other means of settlement determined by the Company at the address or bank account of the Investor as provided for this purpose to the Company in the redemption request form (with charges for the account of the recipient). Payment will ordinarily be made in the Base Currency of the relevant class within the Sub-Fund. Payment will generally be made in cash although the Company shall be entitled to pay the Redemption Proceeds in kind as provided and subject to the relevant provisions of the Memorandum and Articles and the Offering Memorandum.

The Company and Administrator are entitled to require additional documents, such as, but not limited to, trust instruments, death certificates, appointments as executor or administrator and certificates of corporate authority, prior to making any payment in respect of redemptions.

Where certificates have been issued (at the request of the Investor) in respect of the relevant Investor Shares, these Investor Shares will not be redeemed and the Redemption Proceeds will not be paid until the said certificates are duly returned to the Company or the Administrator or, in case of loss thereof, until the Investor gives such indemnity or verification as may be requested by the Company.

Deferral of Redemptions

THE BOARD MAY IN ITS EXCLUSIVE DISCRETION, AND IN THE BEST INTEREST OF THE SUB-FUND, LIMIT OR SUSPEND THE REDEMPTIONS EFFECTED ON ANY REDEMPTION DAY UP TO 100% OF THE REDEMPTION REQUESTS FOR EACH RELEVANT REDEMPTION DAY IF THE SUB-FUND IS NOT ABLE TO PAY THE REDEMPTION PROCEEDS WITHIN THE TIMING SET IN THE ABOVE "Payment of Redemption Proceeds" SECTION; IN SUCH CASE, ALL REDEMPTIONS RECEIVED IN RESPECT OF THAT REDEMPTION DAY WILL BE AFFECTED ON A PRO-RATA BASIS (DEPENDING ON THE CASH AVAILABE) OR POSTPONED UNTIL THE INVESTMENT MANAGER WILL HAVE LIQUIDATED THE ASSETS AND ENOUGH CASH WOULD BE AVAILABLE TO PAY THE REDEMPTION PROCEEDS.

Exchange of Shares

Exchanges of Investor Shares in the Sub-Fund with any other Class of Investor Shares in issue are not permitted.

SECTION 4 | RISK FACTORS

Risk Factors

Investors are directed to “**Section 3 | Risk Factors**” of the Offering Memorandum the risk factors applicable to investment in shares of the Company, including in Investor Shares, are explained.

IN EVALUATING THE POTENTIAL AND SUITABILITY OF AN INVESTMENT IN THE SUB-FUND, CAREFUL CONSIDERATION SHOULD BE GIVEN BY PROSPECTIVE INVESTORS TO THE RISK FACTORS MENTIONED IN THE RELEVANT SECTION IN THE OFFERING MEMORANDUM WHICH RELATE TO THE MARKETS IN WHICH THE SUB-FUND’S ASSETS WILL BE INVESTED.

INVESTMENT IN THE SUB-FUND SHOULD BE REGARDED AS A LONG-TERM INVESTMENT. THERE CAN BE NO GUARANTEE THAT THE INVESTMENT OBJECTIVE OF THE SUB-FUND SET OUT HEREIN WILL BE ACHIEVED.

POTENTIAL INVESTORS ARE EXPECTED TO BE AWARE OF THE RISKS OF INVESTING IN THE SUB-FUND AND ANY PERSON CONSIDERING AN INVESTMENT IN THE SUB-FUND MUST HAVE THE FINANCIAL SOPHISTICATION AND EXPERTISE TO EVALUATE ITS MERITS AND RISKS.

In addition, the following Risk Factors (which are definitely not the only risks relating to the Sub-Fund) are specific to the Sub-Fund:

Conflicts of Interest

Generally, there may be conflicts of interest between the interests of the Company and the interests of the Investment Manager, the Administrator and their respective affiliates and the Directors to generate fees, commissions and other revenues. In the event that such a conflict of interest arises, the Board will endeavour to ensure that it is resolved in the best interest of the Investors.

Furthermore, individuals involved in the Investment Manager may have directly or indirectly owned founder shares in the Company.

Pricing

The calculation of the NAV of the Sub-Fund shall be affected by the Administrator on every Valuation Day and in such manner as is stated in the Offering Memorandum. The assets of the Sub-Fund will be valued in accordance with the valuation policy of the Investment Manager, in terms of which, the Investment Manager has appointed an internal valuation committee.

Performance Fees

The Sub-Fund does not operate an equalisation account in the calculation of the Performance Fee such as to ensure the equal treatment for the payment of performance fees. Therefore, irrespective of the timing of the application, for or redemption of investor shares of the Sub-Fund, and when purchasing, and/or redeeming shares in the Sub-Fund, investors may accordingly indirectly underpay or overpay an underperformance accrual or an over-performance accrual.

Investment in Unlisted Companies

Investing in unlisted companies, particularly start-ups and early stage businesses, is a high reward / high-risk investment strategy. It should be noted that unlisted companies are generally not regulated by investor protection norms and disclosures that typically apply to listed companies.

Sustainability Risks

The Sub-Fund does not integrate sustainability risks in its investment strategy as the integration of ESG criteria in the selection process of the target investments is not considered by the Investment Manager as a key element to successfully achieve the investment objectives pursued by the Sub-Fund. Whilst aiming at incorporating such ESG considerations in the future, the Sub-Fund intends to do so gradually so as not to undermine its Investors' interests and expected return on their investments.

Notwithstanding the above, sustainability risks, should these materialise with respect to a certain asset, might have a negative impact on the value thereof and their extent may vary depending on a number of factors, including, but not limited to, the nature of the risks, the asset involved and the economic sector thereof. The impact might cause a loss of all, or part, of the asset's value. For the avoidance of doubt, the Sub-Fund: (i) does not promote environmental or social characteristics or a combination of those characteristics; and (ii) does not have sustainable investment or a reduction in carbon emissions as its objective, so that the Sub-Fund is not subject either to the article 8 or to the article 9 of SFDR.

SECTION 5 | Fees, Charges and Expenses

Investment Management Fee

The Sub-Fund will pay the Investment Manager an annual Investment Management Fee equal to a base fee of 40,000 EUR (forty thousand euro) plus:

- **Up to 1.625%** per annum for Sub-Fund's Net Asset Value up to one hundred million Euro (EUR 100,000,000);
- **Up to 1.6%** per annum for Sub-Fund's Net Asset Value between one hundred million Euro (EUR 100,000,000) and two hundred million (EUR 200,000,000)
- **Up to 1.575%** per annum for the Sub-Fund's Net Asset Value in excess of two hundred million Euro (EUR 200,000,000);

The accrual of this fee will be calculated on the NAV of the share class on every Valuation Day and paid monthly in arrears. The Investment Management Fee will be charged during the Initial Offering Period.

The Investment Management Fee will be payable monthly and is due to the Investment Manager as compensation for services rendered to the Company in respect of the Sub-Fund in terms of the Investment Management Agreement.

The Investment Manager will be reimbursed for all properly incurred and approved out-of-pocket expenses.

Administration Fee

The Company shall pay the Administrator out of the assets of each Sub-Fund an administration fee (the "**Administration Fee**") an Administration Fee amounting to the higher of EUR 24,000 (twenty-four thousand euro) per year or the following:

- 0.08% for the Sub-Fund's Net Asset Value up to EUR 50 million.
- 0.06% for the Sub-Fund's Net Asset Value between EUR 50 million and EUR 100 million.
- 0.04% for the Sub-Fund's Net Asset Value in excess of EUR 100 million.

(excluding VAT thereon if any). The Administration Fee is calculated by reference to the Net Asset Value at each Valuation Point and shall be payable monthly in arrears.

In addition to the Administration Fee, the Administrator is also entitled to receive out of the assets of each Sub-Fund agreed upon fixed fees for the preparation of audited financial statements for the Sub-Fund, investor transactions and maintenance of investor accounts.

The Sub-Fund shall be responsible for all disbursements and reasonable out-of-pocket expenses incurred by the Administrator in the proper performance of its duties.

Depositary Fee

The Company shall pay the Depositary out of the assets of each Sub-Fund a depositary fee (the "**Depositary Fee**") of 0.05% per annum on the Net Asset value of the fund, subject to a minimum annual fee of EUR 15,000 (fifteen thousand euro) excluding VAT thereon, if any. The fee is payable

quarterly in arrear and will be based upon the average monthly closing balances for the quarter.

The Company shall be responsible for all disbursements and reasonable out-of-pocket expenses incurred by the Depositary in the proper performance of its duties in accordance with the Depositary Agreement.

Other Expenses

The Sub-Fund shall bear the costs incurred for the establishment and regulatory licensing of the Sub-Fund and the offering of the Investor Shares. In particular, it shall incur a fee of 1,000 EUR payable to the MFSA in respect of the application for licensing of the Sub-Fund and an annual supervisory fee of 600 EUR payable to the MFSA upon licensing and, thereafter, on each anniversary of the licensing of the Sub-Fund.

The Sub-Fund will bear its own operating expenses, including, but not limited to, fees payable to the Administrator, Investment Manager, organisational and investment expenses (reasonably determined to be related to the investment of the Sub-Fund's assets), administrative expenses, marketing expenses, legal and licensing expenses, government fees, audit, interest and shareholder communication expenses and other expenses associated with the operation of the Sub-Fund.

The Sub-Fund may reimburse the Investment Manager for any expenses incurred in connection with its management services to the Sub-Fund (including, without limitation, compensation for ongoing operational, systems, research and due diligence). The Investment Manager and the Administrator will be responsible to track the expenses of the Sub-Fund. Preliminary and ongoing legal, printing and continuous offering documentation expenses, in connection with the continuous offering of Investor Shares, will be capitalized and then amortised by writing off equal instalments on each Valuation Day over five (5) years (and thereafter as incurred).

Whilst the Investment Manager considers that such a valuation methodology is appropriate such policy may conflict with International Financial Reporting Standards.

The Sub-Fund will also be subject to other fees including, its pro-rata share of the operating expenses of the Company as set out in the Offering Memorandum.

Audit Fee

The Sub-Fund will pay to the Auditor an annual recurring Audit Fee of EUR 10,800, plus EUR 675 for any additional unlisted investment beyond the fifth, excluding VAT thereon, if any. The Audit Fee shall be payable annually in arrears. The Sub-Fund shall be responsible for all disbursements and reasonable out-of-pocket expenses incurred by the Auditor in the proper performance of its duties.

Subscription Charge

Up to 5% of the amount invested at the sole discretion and as determined by the Board per subscription received. These Subscription Charge, where applicable, shall be paid to the Investment Manager which shall/may, in turn partially or totally pay them, as applicable, either to any duly appointed, Investment Distributor or to the Investment Manager.

Performance Fees

The Performance Fee is applicable in relation to all Share Classes of Investor Shares. The Performance Fee is:

- a) calculated and accrued on each Valuation Day;
- b) crystalized as of the last Valuation Day of each calendar year; and
- c) payable within ten (10) business days from the publication of the NAV related to the Valuation Day mentioned at the point a).

The Performance Fee is calculated as the 10% of the difference, if positive, between the performance of the relevant Share Class and the performance of the Nordic SME Index (the “**Index**”) on a year to date basis.

The Performance Fee calculation formula for each Share Class is as follows:

$$\text{Performance Fee} = 10\% \times (\text{SCP} - \text{IP}) \times \text{SCNAV} \times \text{SCO}$$

Where:

NAVBPFT = NAV per share of the relevant Share Class before accrual of the Performance Fee, on the relevant Valuation Day;

NAVBPFY-1 = NAV per share of the relevant Share Class on the last Valuation Day of the previous calendar year;

$$\text{SCP} = \text{NAVBPFT} / \text{NAVBPFY-1} - 1$$

Index_t = Index level on the relevant Valuation Day;

Index_{y-1} = Index level on the last Valuation Day of the previous calendar year;

$$\text{IP} = \text{Index}_t / \text{Index}_{y-1} - 1$$

SCNAV = the Share Class NAV per share;

SCO = the Share Class number of outstanding shares.

The Performance Fee shall be calculated without an equalization method and is not subject to any cap or maximum amount and it may incentivise the Investment Manager to take higher risk.

SECTION 6 | General Information

The Rights of Shareholders

The rights of Shareholders are stated in the Memorandum and Articles of the Company and in the Companies Act. The Investor Shares entitle Shareholders to participate in the movements, both positive and negative, in value of the assets of the Sub-Fund. It is not expected that the Company will declare any dividends and for a Shareholder to receive the benefits of any growth in the capital value of the Investor Shares, the Shareholder is entitled to request the redemption of the Investor Shares held by him at any time and the Investor Shares will, subject to the relevant Redemption Notice Period, be repurchased by the Company on the next Redemption Day following such request. **The Investor Shares are non-voting.** On winding up of the Sub-Fund the holders of the Investor Shares shall be entitled to their share of the value of the assets of the Sub-Fund.

Share Capital and Accounts

All amounts received by the Company on the issue of Investor Shares, initially and subsequently, will be credited as share capital of the Company and will form part of the net assets of the Sub-Fund. Separate accounts are kept for the assets of the Sub-Fund.

Fractional Shares

Fractional Shares will be issued up to four (4) decimal places.

Shares in issue

As of the date of this Offering Supplement, there are no Investor Shares in issue but only Founder Shares are in issue.

Duration of the Sub-Fund

The Sub-Fund has been constituted for an indefinite period.

Sub-Fund Income

The income of the Sub-Fund will generally be accumulated; however, the Directors reserve the right to pay dividends at any time if they consider that a payment of a dividend is appropriate.

DIRECTORY

Directors of the Company	<p>Dr. Andrea Maria Vittorio Venturini Dr. Alexia Ellul Mr. Malcolm St. John</p>
Registered Office	<p>Quad Central, Q3 Level 9 Triq L-Esportaturi, Zone 1 Central Business District Birkirkara CBD 1040 Malta</p>
Investment Manager	<p>Abalone Asset Management Limited Skyway Offices, Block C Office 1 179 Marina Street Pieta PTA 9042, Malta</p>
Depository	<p>Zarattini International Limited 56, Europa Centre St. Anne Street FRN 9011, Floriana Malta</p>
Administrator, Registrar, Transfer Agent and Company Secretary	<p>Apex Fund Services (Malta) Limited Quad Central, Q3 Level 9 Triq L-Esportaturi, Zone 1 Central Business District Birkirkara CBD 1040 Malta</p>
Auditors	<p>Deloitte (Malta) Limited Deloitte Place Mriehel Bypass Mriehel BKR 3000 Malta</p>
Legal Advisor	<p>The Sub-Fund will engage, where required, first-tier reputable Maltese law firms as its legal advisors as to matters of Maltese law. Potential investors are urged to consult their own counsel.</p>
Tax Advisor	<p>The Sub-Fund will engage, where required, first-tier reputable Maltese tax advisory firms as its tax advisors as to matters of Maltese law</p>