Azimuth V: Energy Evolution

2024 IMPACT REPORT

www.navigatingenergy.com

AZIMUTH
CAPITAL MANAGEMENT

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01 INTRODUCTION

- 1.1 About Azimuth

OUR STORY

Founded by energy operators in 2000, Azimuth is an experienced energy transition investment manager focused on growth equity. We believe that operating expertise – from traditional energy to low carbon fuel production and energy storage – is critical for decarbonizing the economy. We pride ourselves in our depth of operating and project development experience over full build cycles, which has enabled impactful results across our five funds and co-investment program which in total, aggregate to C$5.8 billion of assets under management.

C$5.8 Bn

Assets under management

5

Funds, With Fund V fully dedicated to the energy transition, and supported by an active in-house DevCo platform.

Azimuth drives clean energy investment across global markets

Within the Firm's most recent fund, Azimuth V Energy Evolution Fund ("Fund V"), the three areas of investment focus are Low Carbon Fuels, Battery Materials, and Baseload Clean Power and Storage. Fund V targets later stage and development opportunities, primarily in North America, Europe, and Japan. Azimuth's offices are strategically positioned in the San Francisco Bay Area and Calgary. This is complemented with team presence in Houston, Denver, Vancouver and the Netherlands. Collectively, this creates a broad presence for Azimuth in North America's and Europe's most dynamic energy hubs.

Azimuth has invested in the energy transition for almost two decades, including being founding investors in Monolith Materials, Inc. ("Monolith"), a global leader in clean carbon black and hydrogen production. In addition, the firm has a track record of early creation and derisking work within its Development Company ("DevCo") Platform, which created MV Clean Energy LLC ("MVCE"), a future producer of decarbonized ammonia for export to the global market, and H Cycle, LLC ("H Cycle"), a company that will produce hydrogen through waste conversion.

- 1.1 About Azimuth

OUR MISSION

Azimuth's mission is to drive the energy transition through impactful carbon mitigation and strong financial results. Fund V is fully dedicated to the low carbon energy transition, with a focus on post-venture, pre-infrastructure opportunities. Our team across North America and Europe is committed to leading the future of decarbonization alongside our partners.

OUR VALUES

At the core of our organization are the values that drive everything we do:

- Respect
- Innovation
- Excellence

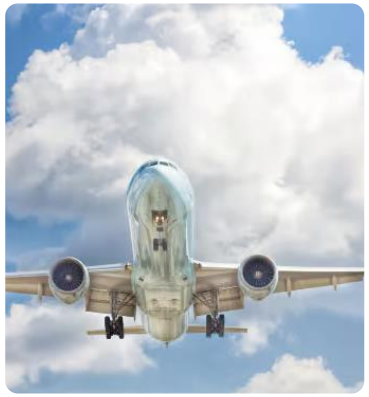
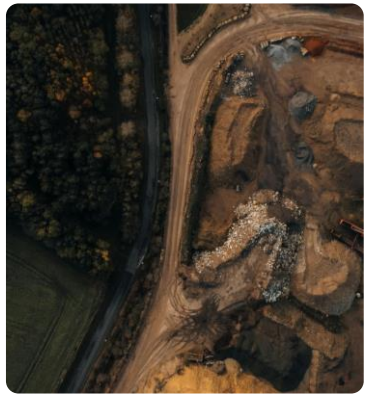
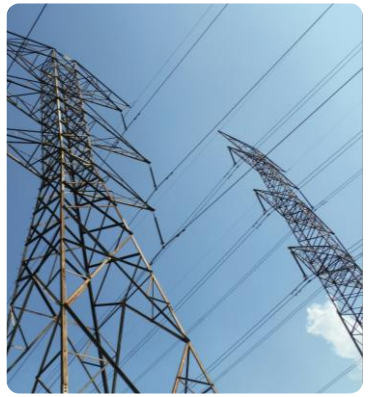
- 1.1 About Azimuth

INVESTMENT APROACH

Outside of the commonly addressed areas of solar and wind projects, there are underappreciated yet compelling opportunities that require growth equity capital to realize their full potential. Azimuth's 20+ years in the energy sector, deep technical expertise, project development, and operating experience enable us to identify and capitalize on energy transition opportunities that seek to successfully bridge the gap between demonstration and commercial scale. By selecting proven technologies and complementing them with our in-house development experience, our investments aim to significantly mitigate the risk associated with building projects while pursuing meaningful carbon mitigation and delivering strong financial returns.

We prioritize executable projects that are material and impactful. This allows for our portfolio companies to capture market share with projects of a scale that are deliverable and economically attractive. We believe in incremental impact as a stepping stone to deliver the full potential of the energy transition.

Fund V is built on an investment thesis centered on three focus areas that closely align with our team's expertise, namely Low Carbon Fuels, Battery Materials, and Baseload Clean Power and Storage.

Low Carbon Fuels

Decarbonizing fuels is one of the key challenges of the energy transition, especially in applications that are not easily electrified, including heavy duty road transportation, aviation, shipping, iron and steel production, and chemicals. Azimuth was founded by traditional operators with a history of execution excellence in molecules, creating team differentiation in a high potential sector that includes decarbonized hydrogen, ammonia, carbon capture solutions, and others.

Battery Materials

Batteries form a key part of the energy transition, both for transforming the grid into a resilient system powered by renewables as well as enabling electrification in industries such as mobility. Azimuth believes there is a meaningful opportunity in bringing the production of battery materials to North America in an environmentally friendly and economic way. Our team has long-standing experience in subsurface operations, providing the necessary expertise to enable sustainable production of the relevant materials.

Baseload Clean Power and Storage

Azimuth focuses on non-traditional sources of renewable power that can generate baseload power more consistently than wind and solar. With rising electricity demand across existing and new use cases, and an increased share of intermittent power production, long duration storage also plays a significant role in contributing to baseload capacity.

Investment Criteria

When making investment decisions, the following criteria, amongst others, must be met:

- Achieve efficient carbon abatement
- Post-venture, pre-infrastructure technology ready for commercial deployment
- Underinvested vertical leading to higher return potential

- 1.2 Letter from Leadership

LETTER FROM LEADERSHIP

Dear Partners,

As the co-founding partner of Azimuth Capital Management, I am delighted to share our inaugural Fund V impact report and our evolving perspective on effective impact measurement and Environmental, Social, and Governance ("ESG") integration in our platform.

At Azimuth, our two-decade history in energy has shaped our understanding of the sector's complexities, the pressing need for sustainable innovation, and the pitfalls that must be overcome to achieve consequential scale-ups and exits in the energy transition. In 2008, we made our first energy transition investment in Ausra Inc., which we successfully exited despite challenges observed during the period commonly known as Clean Tech 1.0. In 2014, we signed the United Nations Principles of Responsible Investment ("UN PRI"). In 2020, we created Azimuth's first impact framework as we evolved – permanently – into the energy transition business through Fund V.

Our mandate has fully evolved to address the urgent challenges of climate change and social responsibility, culminating in Fund V, which crystallizes our fiduciary duty to deliver both private equity performance and capital efficient carbon mitigation to our partners. Azimuth's impact criteria centers on Impact Efficiency and Carbon Carry, namely the clear alignment of our financial incentives with our carbon mitigation objectives.

What has not changed at Azimuth over the last 24 years is our commitment to our values – respect, innovation, and excellence – and our consistency of focus on what we do best – combining our history of operational expertise, fuels and subsurface operations, and project development experience to the challenge of decarbonization. Today's reality of global demographic changes and geopolitics means that growth and later stage capital is more critical than ever to create clean fuels, baseload power, and domestic battery materials at scale.

Last but not least, we are committed to creating positive impact in our local communities. Azimuth has served as a charitable partner to United Way Calgary, the Branch Out Foundation, the Calgary Drop-In Center, Canuck Place, Theatre Calgary, and many other notable organizations. We also continue to mentor students across universities in Canada and the US.

As we continue this journey, we are dedicated to transparency and accountability, demonstrating that our investments can create value for our partners while contributing positively to the world around us.

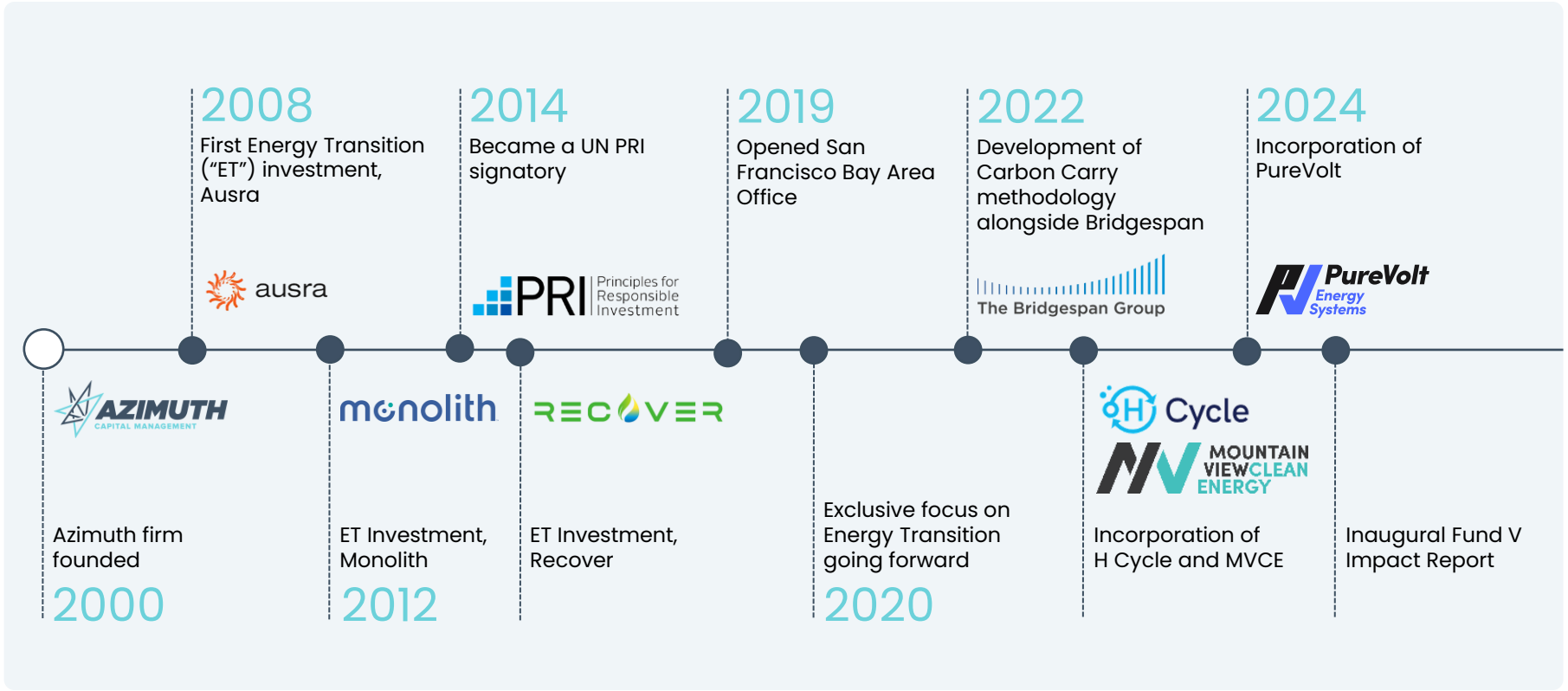
Sincerely,

Jeff van Steenbergen, P.Eng.

Co-Founder and Managing Partner

- 1.3 Key Highlights

TIMELINE



8

Total investments made in ET[1]

C$1.6 M

Donations made to non-profit organizations since 2005

[1] Not shown on timeline: Steelhead (2013) and Enoflex (2021)

02

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE IMPACT

- 2.1 Principles of Responsible Investing

PRINCIPLES OF RESPONSIBLE INVESTING

Azimuth is a private equity firm that manages energy sector investments on behalf of its Limited Partners ("LPs"). As an institutional investor, Azimuth has a duty to act in the best, long-term interests of the beneficiaries of its Funds. In this fiduciary role, Azimuth believes that ESG issues impact the performance of its portfolio companies and therefore its Funds. Additionally, Azimuth believes that recognizing ESG issues aligns the Firm and its portfolio companies with the broader objectives of society.

ESG best practices

The purpose of this policy is to outline ESG best practices for Azimuth and its portfolio companies. At a minimum, Azimuth and its portfolio companies will:

- As appropriate, reduce adverse impacts and enhance positive effects on the environment, employees, contractors and all stakeholders;
- Commit to continuous improvements with respect to management of the environment, social matters and governance; and
- Apply relevant international best practice standards with appropriate targets and timetables for achieving them.

More specific guidelines have been created to separately address ESG issues individually.

- 2.1 Principles of Responsible Investing

ENVIRONMENT

With respect to environmental issues, Azimuth's objectives are to:

Reduce adverse impacts and enhance positive effects on the environment, as relevant and appropriate, from Azimuth and its portfolio companies; and

Encourage the businesses in which Azimuth's capital is invested to make efficient use of natural resources and to protect the environment.

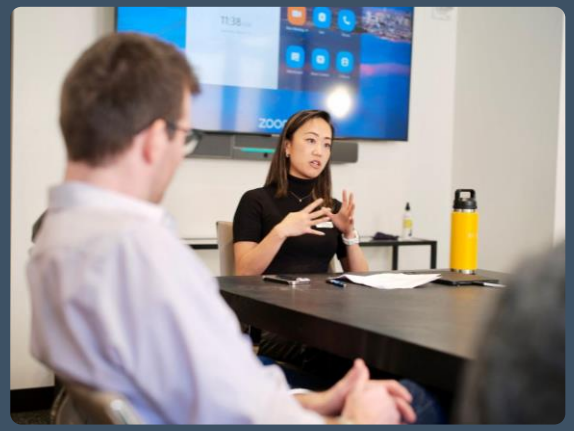
Azimuth and the portfolio companies in which Azimuth's capital is invested will:

- Integrate environmental impact into its investment process to maximize carbon and carbon equivalent mitigation efficiency per dollar invested, as quantified in section 2.2 below;
- Assess material environmental risks related to their operations and incorporate relevant best practice standards to mitigate environmental risks; and
- Remain informed of best practices regarding environmental issues and work toward implementing them.

Azimuth is a proud UN PRI signatory since 2014.

- 2.1 Principles of Responsible Investing

SOCIAL



With respect to social issues, Azimuth's objectives are to:

Require Azimuth and its portfolio companies to treat all their employees and contractors fairly and to respect their dignity, well-being and diversity;

Attain safe and healthy working conditions for employees and contractors of Azimuth and the businesses in which Azimuth's capital is invested; and

Safeguard the health and safety of all those affected by Azimuth and the businesses in which Azimuth's capital is invested.

Azimuth and it's portfolio companies will:

- Take appropriate actions to eliminate or reduce risks to health and safety;
- Treat their employees fairly in terms of recruitment, progression, terms and conditions of work;
- Not employ or make use of forced or child labour of any kind;
- Pay wages which meet or exceed industry or legal national minimums; and
- Allow consultative workplace structures and associations which provide employees with an opportunity to present their views to management.

Azimuth is committed to the principle of equal employment opportunity for all employees, as well as providing a safe and respectful workplace free of harassment or discrimination. Azimuth does not discriminate in employment based on age, race, colour, religion, disability, sex (including pregnancy and gender identity), national origin, political affiliation, sexual orientation, marital status, parental status, genetic information, or military service.

- 2.1 Principles of Responsible Investing

GOVERNANCE

With respect to governance issues, Azimuth's objectives are to:

Ensure that Azimuth and its portfolio companies exhibit honesty, integrity, fairness, diligence and respect in all business dealings;

Enhance the good reputation of Azimuth; and

Promote best practices in relation to corporate governance in Azimuth and its portfolio companies.

Azimuth and it's portfolio companies will:

- Interact with regulators in an open and co-operative manner;
- Prohibit all employees from making or receiving gifts of substance in the course of business;
- Prohibit the making of payments as improper inducement to confer preferential treatment;
- Prohibit contributions to political parties or political candidates where it could constitute conflicts of interest;
- Properly record, report and review financial and tax information;
- Promote transparency and accountability grounded in sound business ethics;
- Clearly define responsibilities, procedures and controls with appropriate checks and balances in company management structures; and
- Use effective systems of internal control and risk management covering all significant issues, including environmental, social and ethical issues.

Monolith's Nebraska facility Olive Creek I; production of low carbon hydrogen and carbon black

- 2.2 Integrating Environmental Impact into the Investment Process

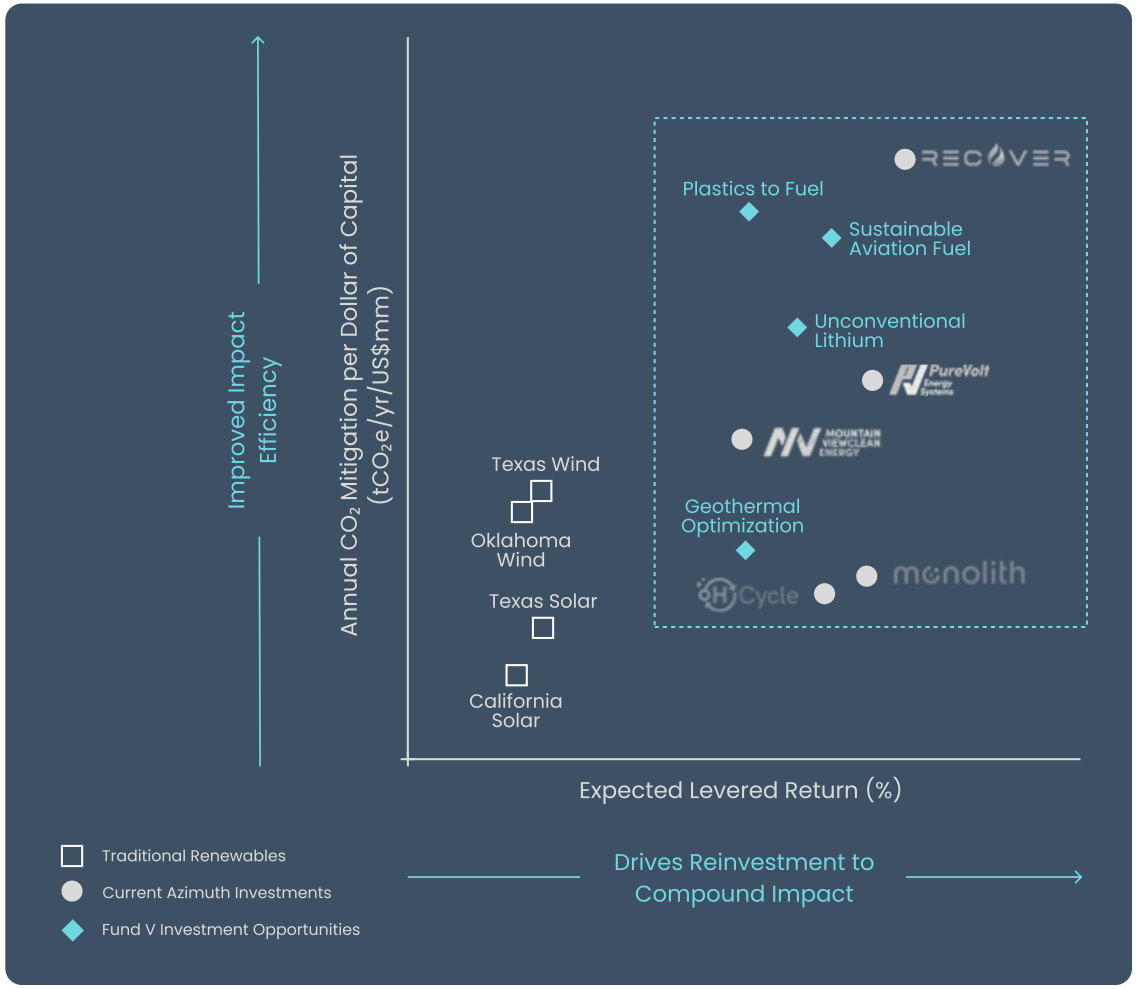
INTEGRATING ENVIRONMENTAL IMPACT INTO THE INVESTMENT PROCESS

Azimuth targets maximum carbon mitigation efficiency. We work with portfolio companies to go beyond net carbon reduction and focus on maximizing the amount of carbon dioxide mitigated per dollar invested. We have set our impact efficiency benchmark to at the level achieved by utility-scale solar projects in Texas.

This methodology has been developed in collaboration with The Bridgespan Group in 2022 and aligns the financial and environmental objectives of Fund V's investment decisions. The details of this methodology will be expanded upon across the following pages.

The Bridgespan Group

Bridgespan Group is a leading nonprofit advisor and consultant to mission-driven organization, investors and philanthropists. The Group has over 800 clients including TPG's $2b Rise Fund, Bain Capital and ABC World Asia. Specific to the energy space, Bridgespan has evaluated the environmental impact of 60+ private capital deals.

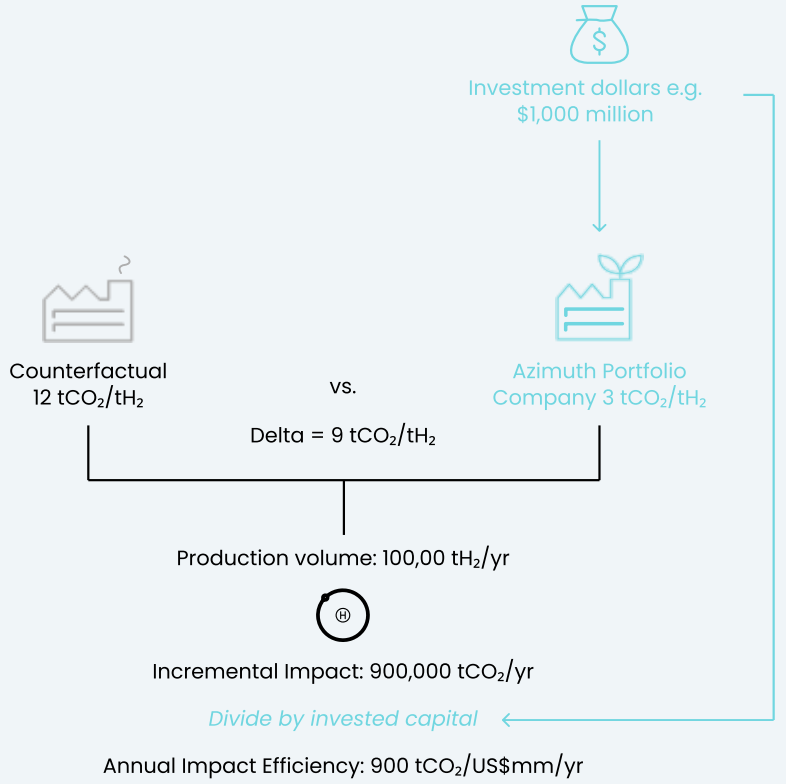


- 2.2 Integrating Environmental Impact into the Investment Process

IMPACT EFFICIENCY

For each investment, we consider emissions associated with the business-as-usual scenario, the counterfactual. For example, for portfolio companies producing low carbon hydrogen, the counterfactual is Steam Methane Reforming ("SMR"), since 95% of North America's hydrogen is produced through SMR. The associated carbon intensity is 12 tCO_2/tH_2[1]. The difference between the counterfactual and the emissions of a portfolio company, is called Incremental Impact. This number, divided by the total invested capital in the portfolio company, yields the Annual Impact Efficiency.

Illustration of Impact Efficiency Calculation



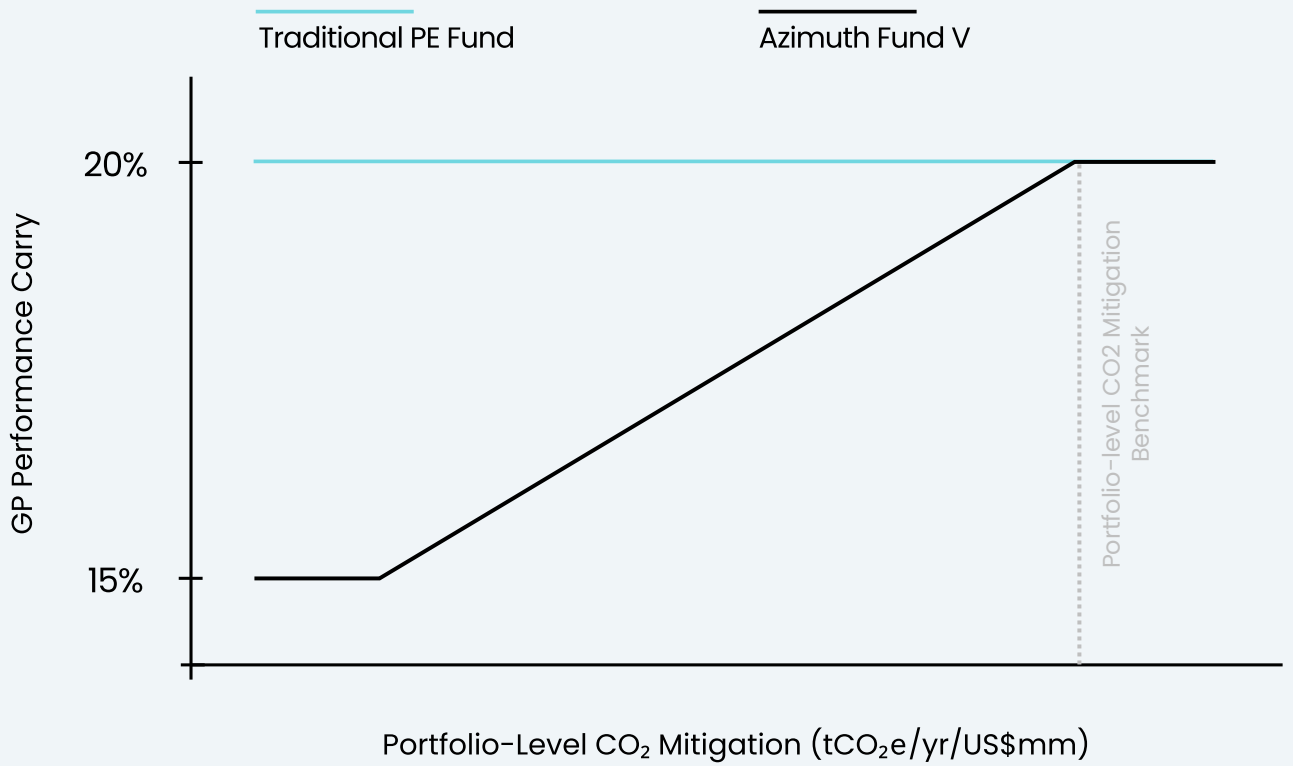
[1] IEA Global Hydrogen Review, 2023

- 2.2 Integrating Environmental Impact into the Investment Process

ALIGNMENT WITH FINANCIAL RETURNS: CARBON CARRY

All portfolio companies' Annual Impact Efficiencies are weighted within Fund V to yield the Aggregate Impact Score. This score is our most important KPI and is directly tied to our financial incentives.

As depicted, one quarter of Fund V's performance carry will be subject to downward revision if the Aggregate Impact Score does not exceed our benchmark. Azimuth has adopted this Carbon Carry mechanism to operationalize its commitment to meaningful carbon mitigation.



- 2.2 Integrating Environmental Impact into the Investment Process

APPLYING CARBON CARRY PRE AND POST INVESTMENT

At the methodology's core is a clear determination of the emissions advantage that each of Fund V's investment offers relative to the incumbent technology producing a similar product. The emissions counterfactual of a technology is fixed when an investment decision is made and can be sourced from reputable institutions, e.g. the counterfactual CO_2 emissions outcome for clean hydrogen production is CO_2 emissions per unit of hydrogen produced in a SMR unit sourced from the International Energy Agency. Similarly, the emissions profile associated with landfills in California can be sourced from California's Department of Resources Recycling and Recovery ("CalRecycle").

Fund V invests in portfolio companies targeting superior environmental performance relative to the counterfactual technology. The emissions of a portfolio company may differ pre- and post-investment. Pre-investment, the portfolio company emissions are the expected emissions. Post-investment, the emissions could be the expected emissions, before a facility or technology is operational, or the realized emissions, after a facility or technology becomes operational.

- 2.2 Integrating Environmental Impact into the Investment Process

ESTIMATING AND MEASURING EMISSIONS, AND VERIFYING EMISSION REDUCTIONS

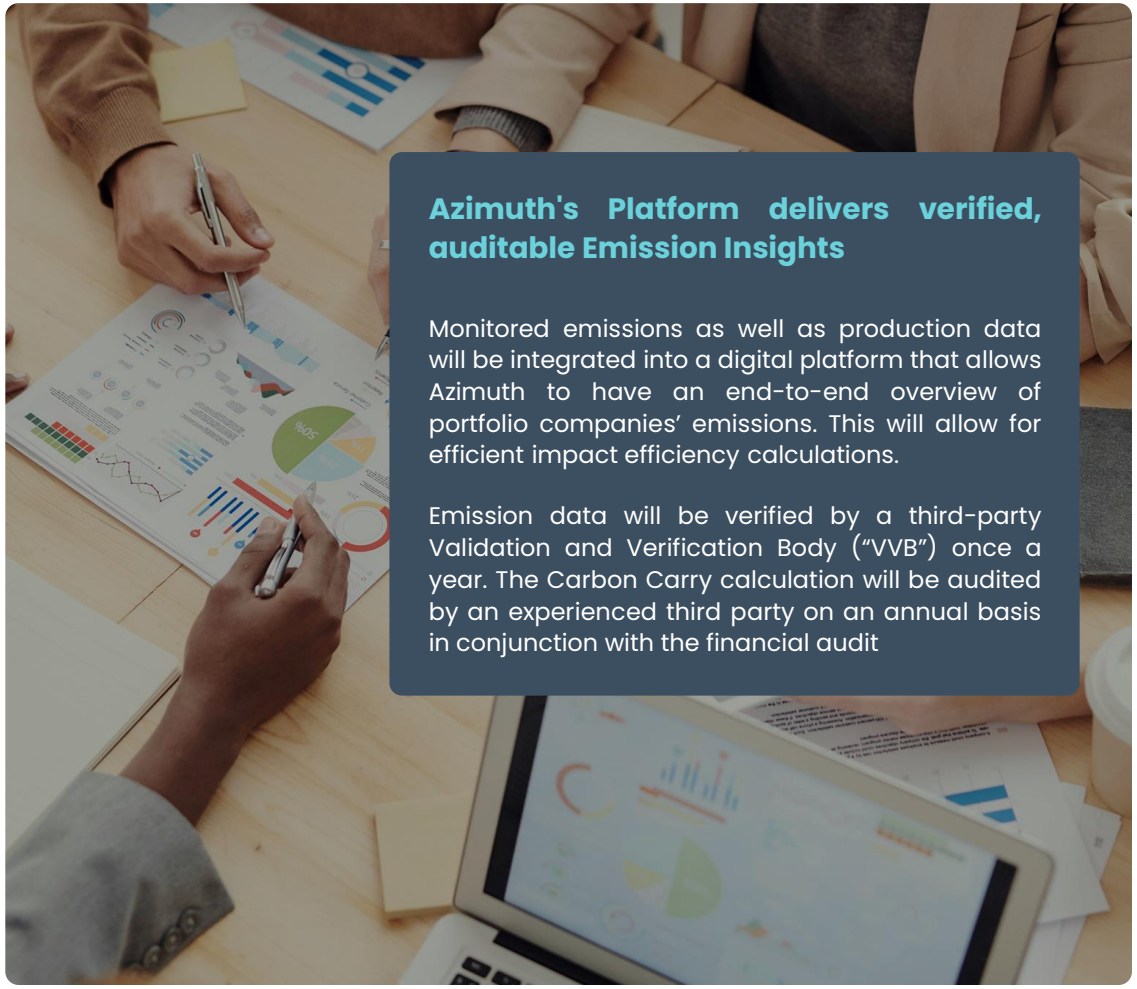
As a condition of its investment, Azimuth forms an agreement with a prospective portfolio company to collaborate in ESG monitoring and reporting to support Azimuth's Impact Efficiency and Carbon Carry calculations.

Before a facility is operational, emissions are estimated.

- *Facility-specific* emissions are estimated by the engineering contractor and/or the technology licenser as they are the experts on the specific pieces of equipment used and have mass flow balance models. E.g. Topsoe could be the source of reference for estimating emissions of Haber Bosch process.
- *Supply chain-specific* emissions are sourced from reputed institutions. E.g. for upstream natural gas emissions, the same assumptions are used as the Department of Energy ("DOE") Greenhouse gases, Regulated Emissions, and Energy use in Technologies ("GREET") model [2].

After a facility has become operational, emissions are continuously monitored.

- *Facility-specific* emissions are measured at various points of emission in the facility using hardware that measures the concentration of greenhouse gases being emitted. E.g. in an ammonia-producing facility, there could be two points of emission: the safety flare in the autothermal reforming unit and the safety flare after the Haber Bosch reactor.
- *Supply chain-specific* emissions are obtained from the supplier if the measurements are auditable or sourced from a reputable institutions' framework, e.g. the DOE's GREET model [2].



Azimuth's Platform delivers verified, auditable Emission Insights

Monitored emissions as well as production data will be integrated into a digital platform that allows Azimuth to have an end-to-end overview of portfolio companies' emissions. This will allow for efficient impact efficiency calculations.

Emission data will be verified by a third-party Validation and Verification Body ("VVB") once a year. The Carbon Carry calculation will be audited by an experienced third party on an annual basis in conjunction with the financial audit

[2] U.S. Department of Energy, 2024. https://www.energy.gov/eere/greet

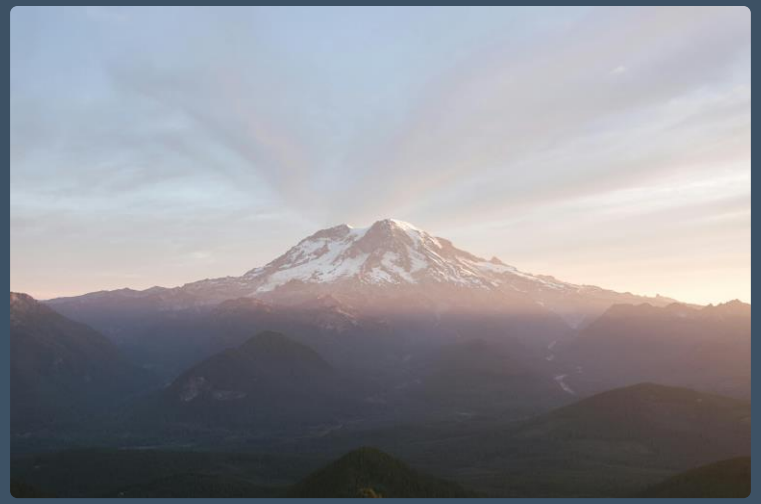
- 2.3 ESG Performance

ENVIRONMENTAL

Currently Fund V holds two portfolio companies, MVCE and H Cycle, and has defined investment rights in two more companies, Monolith and Recover. The next four case studies will illustrate how each of these contributes meaningful carbon mitigation to our portfolio.

- 2.3 ESG Performance

MV CLEAN ENERGY, LLC



Company Profile:

MVCE is a Gulf Coast, US-based private company that will produce decarbonized hydrogen for ammonia synthesis exported to global markets.

MOUNTAIN VIEW CLEAN ENERGY

MVCE's Project One will produce ~220,000 tonnes per year of decarbonized hydrogen via auto-thermal reforming alongside carbon capture for production of hydrogen carriers (including ammonia and MCH) for long-term offtake to countries seeking to transition to lower carbon intensity fuels.

~ 222 K

Tpa Production of decarbonized hydrogen

Using pre-FEED engineering results applied within the 45V GREET model, MVCE's H_2 production achieves an emission intensity of ~3 tCO_2/tH_2, in contrast to the ~12 tCO_2/tH_2[(1)] for conventional grey hydrogen via SMR.

This represents a 75% reduction in emissions on a well-to-gate basis compared to grey hydrogen, underscoring MVCE's significant environmental advantage.

75 %

Reduction in emissions

- 2.3 ESG Performance

H CYCLE, LLC

Company Profile:

H Cycle is the developer, owner, and operator of waste-to-hydrogen facilities, diverting non-recyclable organic-rich waste from landfills and converting it into renewable, carbon negative hydrogen as an alternative, emission-free energy source. H Cycle's innovative technology will help the United States reach its sustainability goals and complement traditional recycling and composting.

H Cycle

H Cycle's innovative process enhances existing recycling efforts by converting contaminated organic waste from landfills into renewable green hydrogen. After consumers recycle and compost, municipalities send the waste to materials recovery facilities (MRFs) for initial sorting. H Cycle then conducts a secondary sorting to isolate organic-rich, nonhazardous materials, ensuring that only suitable waste is processed into renewable hydrogen. This two-stage approach maximizes the sustainable use of waste in hydrogen production.

H Cycle uses a very efficient method to produce renewable hydrogen. H Cycle produces a multiple of the amount of hydrogen that can be produced from traditional electrolysis for the same amount of electricity consumed, while abating significantly more CO_2. The additional CO_2 abatement comes from avoided landfill emissions.

A single-cycle facility will divert an equivalent amount of landfill waste with emissions from the energy use of 4,224 homes annually, while simultaneously generating thousands of tonnes of clean hydrogen.

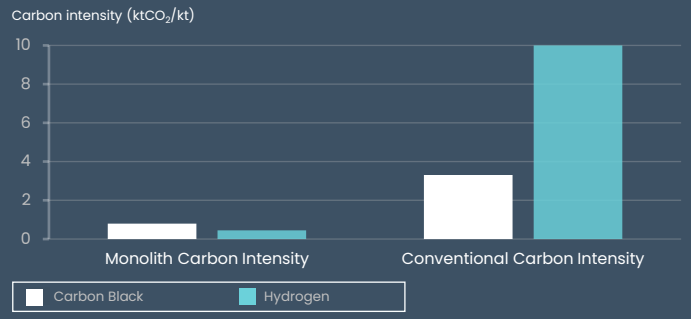
- 2.3 ESG Performance

MONOLITH MATERIALS INC.

Company Profile:

Monolith is a clean energy and materials company with the mission to disrupt and decarbonize the global hydrogen and carbon black markets. It has developed a proprietary, highly engineered methane pyrolysis process which produces clean, solid carbons (predominantly carbon black) alongside clean hydrogen from hydrocarbons with little release of climate changing greenhouse gases such as CO_2 (75% reduction potential vs. conventional processes).

Monolith's methane pyrolysis process offers a substantial reduction in carbon emissions, achieving a carbon intensity that is nearly a fifth of the business-as-usual (BAU) scenario[3] which emits around 7 kg CO_2e per kg of carbon black.



Monolith's first commercial-scale demonstration plant, Olive Creek 1 (OC1), and its first commercial-scale facility, Olive Creek 2 (OC2), aim to produce approximately 198 kilotonnes per annum (ktpa) of carbon black and 319 ktpa of ammonia.

These projects support both local agricultural needs and the growing clean hydrogen market.

198 kilotonnes per annum (ktpa)

Production of Carbon Black

319 ktpa

Production of Ammonia

Market Growth

The global carbon black market is projected to grow at an annual rate of 2.1%, reaching approximately 18 million tonnes by 2035.

The global hydrogen market is expected to grow from 95 million tonnes per annum (mtpa) in 2023 to 180 mtpa by 2040, driven by emerging decarbonization use cases.

Monolith is positioned to meet the increasing demand for clean hydrogen and carbon black, leveraging its cost-competitive and environmentally sustainable production processes.

Fun Fact

Around a quarter of the carbon black used in Canadian tires is sourced from Monolith, highlighting the widespread adoption of sustainable technology in everyday products.

[3] U.S. Department of Energy, 2024. https://www.energy.gov/eere/greet . Environmental Assessment – Monolith Olive Creek Expansion Facility, Department of Energy, 2021, https://www.energy.gov/sites/default/files/2022-04/fonsi-and-ea-2180-monolith-olive-creek-expansion-facility-2021-12.pdf

- 2.3 ESG Performance

RECOVER INC.

Company Profile:

Recover is a waste-to-energy company that uses its modular patented technology to process used oil-based drilling waste ("OBM DW") to extract and recycle diesel which would otherwise be landfilled; the extracted and recycled low carbon intensity ("CI") diesel can be re-used in drilling operations or hydrotreated to produce a low CI transportation grade ultra-low sulfur diesel ("ULSD") contributing significantly to the circular economy and sustainable development. Recover supports a decarbonization strategy to help tackle climate change.

Recover supports a decarbonization strategy to help tackle climate change. By extracting and recycling hydrocarbons from drilling waste, it's reducing the GHG emissions by more than 100%.

100 %

Reduction in GHG emissions

Recover is committed to reducing its operational carbon footprint by 60% by 2030 and achieving carbon neutrality by 2040. Their processes prevent over 2 million tonnes of CO_2 emissions per year, which is comparable to removing 500,000 cars from the road.

2 M

tonnes of CO_2 emissions prevented annually

Recover's low carbon intensity diesel score ranks favorably compared to other renewable fuel alternatives. GHG emissions calculations based on landfill parameters show avoided emissions ranging from -91 to -258 g CO_2e/MJ.

Independent testing by Life Cycle Associates determined Recover's CI at -163 g CO_2e/MJ, highlighting its strong environmental performance.

Recover has received and processed approximately 70,000 tonnes of waste at its Commercial Demonstration Facility in Canada.

The Howard project will be able to process 250,000 tonnes of waste per year and eliminate over 400,000 tonnes of CO_2e.

400 K

tonnes of CO_2e eliminated

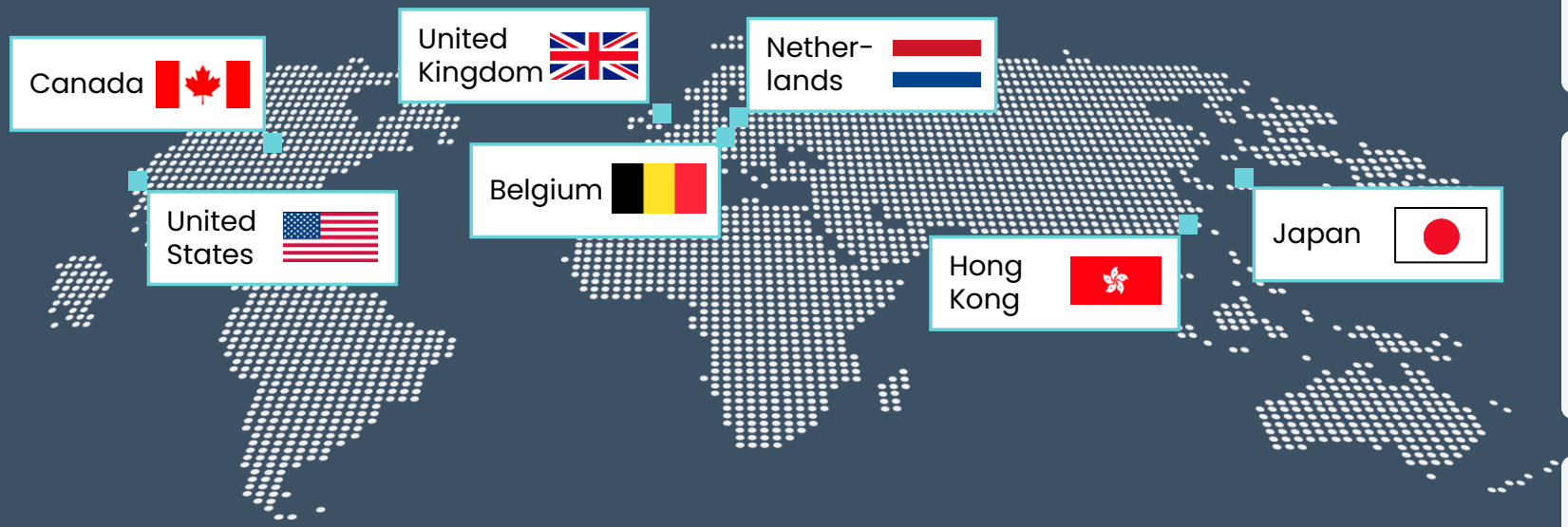
Committed to ESG Excellence and a Safe, Ethical Workplace

In addition to environmental mandates, Management and the Board of Recover recognize the importance of environmental, social and governance initiatives in business. Recover promotes a culture with the highest moral and ethical standards so that employees and contractors can learn and participate in a safe and healthy workplace, free of discrimination and harassment.

- 2.3 ESG Performance

SOCIAL: WORKPLACE DIVERSITY AND INCLUSION

Azimuth is committed to promoting a diverse workforce with diversity factors that span beyond observable characteristics such as gender, ethnicity, and age.



47%

Females working at Azimuth

7

Nationalities covered by Azimuth's team

21 to 70

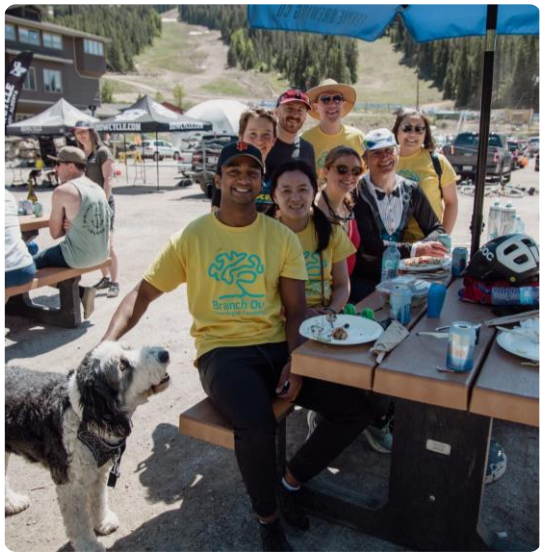
Age represented within the Azimuth team.

- 2.3 ESG Performance

COMMITMENT TO SOCIETY

Azimuth is a proud member of United Way's Corporate Million Dollar Roundtable, which recognizes companies that together with their employees and retirees, have given between $1,000,000 and $4,999,999 to United Way initiatives.

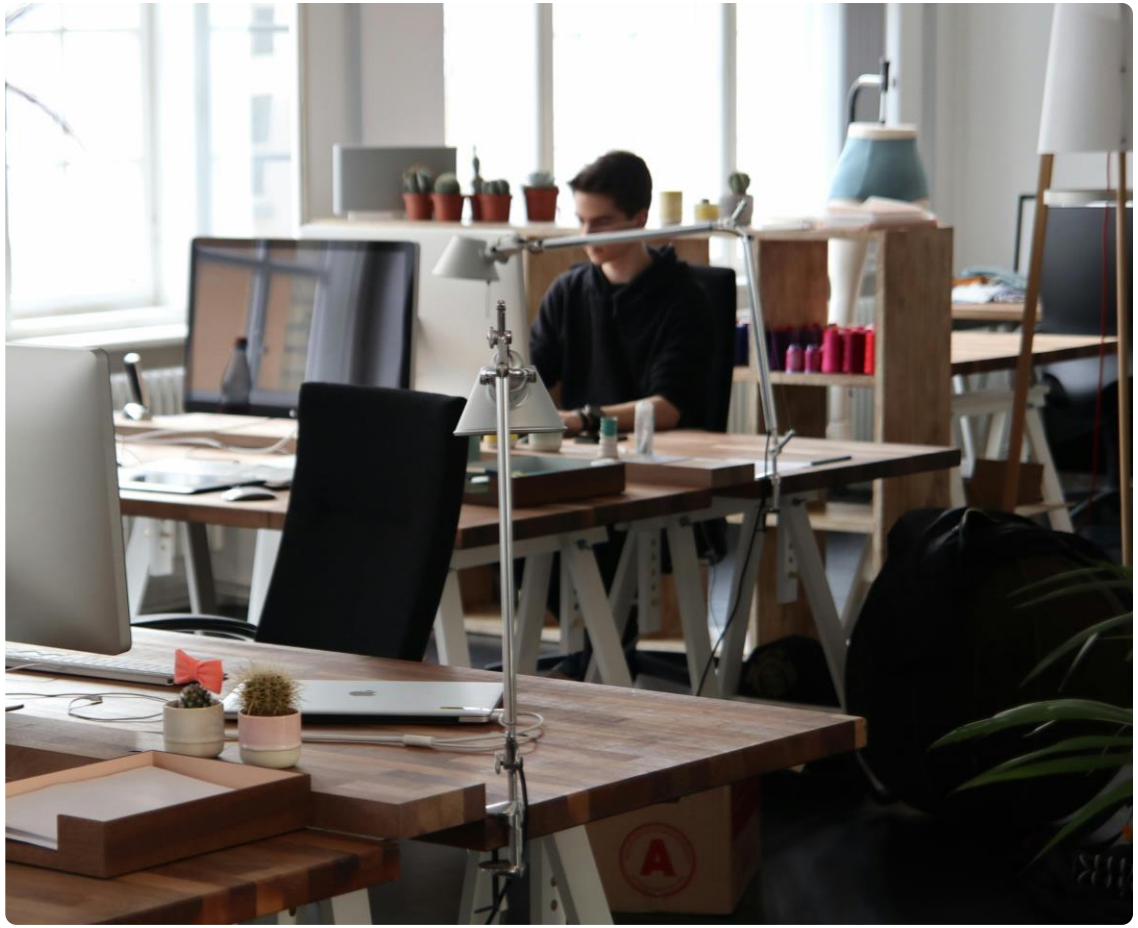
Azimuth has also supported Canuck Place, Theatre Calgary, the Banff Centre for Arts and Creativity, Alberta Children's Hospital Foundation, The Evenstart Foundation, Run for Women, and Bow River Ruins Hockey Association to give back in the arts, health, and community-building.



- 2.3 ESG Performance

CORPORATE GOVERNANCE: EXECUTIVE TEAM, BOARD MEMBERS, ESG COMMITTEE

Investment Committee	Responsible for reviewing and evaluating investment opportunities, as well as approving both investment and exit decisions. This committee ensures that investments align with the fund's strategy, risk tolerance and objectives.
Audit Committee	Responsible for reviewing the audit result and approving the audited financial statements. This committee ensures the accuracy, integrity and transparency of the financial reporting, overseeing the audit process to confirm compliance with relevant accounting standards and regulatory requirements.
Advisory Board	Consist of LP members and representatives of the General Partner. Their role is to review, advise on and approval various matters related to the fund and its investments as outlined in the Funds' Limited Partnership Agreement.
ESG Committee	Responsible for ESG diligence and Impact Efficiency estimation for potential Fund V investment opportunities and executing yearly tasks such as the Carbon Carry audit and Impact Report.



- 2.3 ESG Performance

RISK MANAGEMENT AND MITIGATION

Effective risk management is integral to Azimuth's governance framework. Azimuth approach to risk management encompasses both traditional financial risks and emerging risks related to ESG factors. Azimuth's risk management and mitigation strategies includes:

Advisory Board	▪ The Advisory Board meets at least quarterly. ▪ The Advisory Board provides on-going perspectives on investment and portfolio strategy, monitors and assesses investment performance and reporting.
Investment Committee	▪ Investment Committee meets quarterly to approve the valuation of Azimuth's investments. ▪ All investments and divestitures are reviewed and approved by the Investment Committee, on an 'as needed' basis before any investment is finalized.
Annual audit and Agreed-Upon Procedure ("AUP") engagements	▪ The Funds have engaged credible partners to audit financial statements, including the valuation of investments. ▪ Azimuth has identified credible partners to conduct an annual AUP evaluation ▪ The Audit Committee reviews key issues relates to the audited financial statements, discussing any key findings or perspectives from the year-end audit and AUP engagement.
Portfolio Company Management	▪ Each non-public portfolio company and when appropriate, each public portfolio company, has at least one designated Azimuth board member and a member of the Investment Team who is assigned the role of a board observer (collectively, the "Azimuth Representatives"). Azimuth Representatives are responsible for monitoring and evaluating risks associated with Azimuth's investments in each company.
ESG Risk Integration	▪ ESG considerations are integrated into Azimuth's investment processes. ▪ Fund V's LPA states that all investments must meet the annual impact benchmark. This target is linked to the General Partner's carried interest through the Carbon Carry Adjustment Percentage.

- 2.3 ESG Performance

TRANSPARENCY AND REPORTING

At Azimuth, we believe that transparency is a cornerstone of good governance and is essential to maintaining the trust of our Limited Partners, portfolio companies and other stakeholders. We strive to ensure that our governance policies and decision-making processes are aligned with industry best practices and meet or exceed regulatory requirements. Our reporting framework includes:

Advisory Board reporting	▪ A quarterly Advisory Board package is delivered to board members, containing market trends, company updates, key portfolio company developments and fund performance data.
Annual and quarterly reports	▪ All reports are reviewed and signed off internally by the Leadership Team prior to distribution. ▪ Although quarterly reports are unaudited, credible partners perform a high-level review of the financial statements, including note disclosure. ▪ The Azimuth Energy Partners III Fund and Azimuth Energy Partners IV Fund financial statements are prepared in accordance with Part II of the CPA Canada Handbook – Accounting, "Accounting Standards for Private Enterprises," which sets out generally accepted accounting principles for non-publicly accountable enterprises in Canada ("ASPE"). ▪ Fund V financial statements are prepared in accordance with accounting principles generally accepted in the U.S. ("US GAAP").
Standard Reporting to Limited Partners	▪ In addition to the annual and quarterly reports, Limited Partners are provided with quarterly capital account statements. ▪ Capital call / distribution notices are provided to Limited Partners with transaction details when there are investment transactions. ▪ Capital account statements and capital call/distribution notices follow the Institutional Limited Partners Association ("ILPA") guidelines and best practices.
Ad hoc reporting	▪ In addition to regular updates from Azimuth, additional reporting is provided upon request by Limited Partners to ensure transparency and effective communication.

Azimuth V: Energy Evolution

2024 IMPACT REPORT

Join us on our journey to a decarbonized world.

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