Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

June 23, 2026

Reporting year: 2025

Newton BioCapital II

pricaf privée de droit belge sous la forme d'une société anonyme - limited liability company

Avenue de Tervueren 273, 1150 Woluwe-Saint-Pierre, Belgium

Belgian registration Nr. - N° d'entreprise: 0779.335.513

RPM Bruxelles

Product name: Newton Biocapital II, pricaf privée de droit belge, SA **(**the "**Fund**"**)**
Legal entity identifier: *none*

Fund Manager: Newton Biocapital II Partners SRL – (the "**Manager**")

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 100% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

Through its website and its investment policies, goals and targets (companies involved in the treatment of major chronic diseases), the Fund promotes the environmental (E) and social (S) characteristics listed under (E) and (S) in the table in Annex 1, the ESG screening table. This overview also shows the governance (G) characteristics the Manager intends to monitor.

To date, the Fund has given effect to the promoted characteristics via binding ESG investment criteria for investee companies through a combination of methodologies in the investment decision-making process: exclusion policies, ESG screening and thematic investing (biopharma)..

In 2025, all investee companies of the Fund have fully complied with their ESG reporting obligations by providing the required data concerning the reporting period, and the required information on all ESG indicators requested by the Fund.

In 2025, all investee companies of the Fund have had a Sustainability Assessment carried out by the Manager. The Manager's investment team has engaged with the management of each investee company to assess progress against its sustainability indicators and will continue to do so during the holding period of each investment.

To monitor the performance of the sustainability indicators, the Fund carried out a thorough ESG Compliance analysis of each of its investee companies by attributing a scoring to each of the sustainability indicators. For each of the sustainability indicators, the Manager has defined a set of auditable, quantitative or qualitative scorings from 0 (indicator is not implemented) to 5 (indicator is meeting the best practices as put forward by the Fund, matching with the industry's best practices). Note that these scorings are cumulative, i.e. a higher scoring assumes that also targets related to lower scorings are met. See Annex 3 for reference to the scoring levels for each indicator.

How did the sustainability indicators perform?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The assessment of the ESG status and score of the investee companies resulted in an ESG Compliance Report that has been audited by the Fund's Audit Committee under the supervision of the Fund's Board of Directors.

The consolidated performance is intended to illustrate the average progress made for each sustainability indicator defined by the Fund, providing a view on the impact of the Fund through its investments on the ESG sustainability characteristics it promotes. Note: the Social indicators in bold are linked with the Fund's investment strategy (see later for more detail per investee company when describing how the investee company's objectives contribute to the social characteristcs promoted by the Fund).

For avoidance of doubt, the score of companies that have been sold or divested is frozen at the level of the year in which the sale or divestment took place.

E. Supply chain *E. Waste management*	*Most of the current investee companies are still in early research phase (preclinical or early clinical) and have limited to no materials supply and waste generation. Two have made progress in implementing an environmental policy. All investee companies are aware of the importance of managing environmental challenges they could be facing in the future. Overall score end 2025 increased slightly from 1/5 to 1.5/5.*
S. Development of treatments for patients with a chronic disease	*This indicator is linked to the Fund's investment strategy. The indicator indicates to what extent the investee companies are approaching the fund's main objective. When this target is reached, it is considered that the development of a drug has progressed sufficiently to move to a testing phase funded by an external party that brings it closer to market launch.* *Most of the investee companies are still at an early stage (research to preclinical to early clinical) and still have several hurdles to overcome before reaching the final targets set by the Fund, although some progress has been made. The overall score at the end of 2025 remained 2/5.*
S. Reduce societal Burden of Disease	*This indicator is linked to the Fund's investment strategy. The social burden of chronic diseases can only be reduced if medicines come to market. This indicator shows how far the development is from market introduction, depending on the drug's stage of development. End 2024, all active investee companies are in research phase or in pre-clinical / early clinical phase. Progress was modest in 2025 and the overall score remained 2/5 at the end of 2025.*
S. Access to qualitative capital	*This indicator is linked to the Fund's investment strategy. Many factors determine how healthy a drug development ecosystem is. One is the ability to raise venture capital in such an ecosystem. The leverage of the investment by the Fund is used as an indicator. In 2025, the score remained at 2/5.*

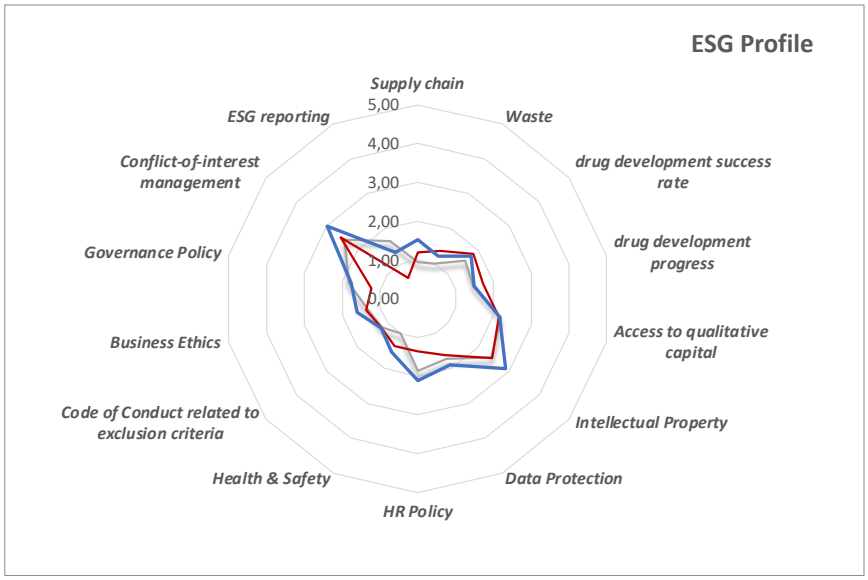
G. Protection of Know how	*Investee companies are selected on the basis of their solid intellectual property. It is considered a cornerstone for value creation. All investee companies have developed a strategy to protect their intellectual property and discuss this systematically on the board level. The score increased from 2 to 3/5 end 2025.*
G. Data Protection	*Taking sufficient measures to secure data (preventing data breaches) and to implement cybersecurity is essential for all companies and especially for those that will be conducting clinical trials. From the outset, investee companies were aware of this importance. End 2024, policies were in place and this is maintained in 2025. This kept the score at 2/5.*
G. HR Policy *G. Health & Safety* *G. Code of Conduct related to exclusion criteria* *G. Business Ethics* *G. Corporate Governance policy*	*All investee companies declared that they are following standard industry practices related to Human Resources management (including implementing diversity in staffing) and implementation of Health & Safety measures. All investee companies also declared they are following standard industry practices in terms of business ethics (eg. bribery). They also recognize the importance of having a Code-of-Conduct and good Corporate Governance practices. First policies have been put in place. The score end of 2025 increased to 2/5.*
G. Conflict-of-interest management	*In early-stage companies, most of the conflict-of-interest situations arise from an unbalanced composition of the Board of Directors and from Directors with conflicting interests. In 2024, investee companies – on request of the Fund – have established a balanced Board of Directors with independent Directors, Directors representing the investors in the company and Directors representing the management of the company. This is still the case in 2025. The score remained at 3/5 end 2025.*
G. ESG reporting	*ESG is getting higher on the agenda in many companies. All investee companies have expressed their willingness in their investment documentation to analyse potential ESG-related harm to their business, and first actions were taken. Nevertheless, at the end of 2025, it is judged that the score of this indicator remains at 1/5.*

…and compared to previous periods?

The figure below presents the Fund's consolidated ESG Profile at the end of the reporting year 2025, compared with the status at the first investment by the Fund in the Company. The status end 2024 is also provided but a real year-to-year comparison will make sense after the Fund's Commitment Period, i.e. when the Fund has completed its portfolio.

The analysis is based on data reported by the investee companies and the attributed scorings. The result is a consolidated view of the performance of the Fund, at reporting date and compared with previous reporting dates. It is the result of the performance of the Fund's investee companies, weighted against the money invested in each company. Differences by reporting year are explained in the previous table.

For avoidance of doubt, the score of companies that have been sold or divested is frozen at the level of the year in which the sale or divestment took place.



Weighted status at first investment

Weighted status end 2024

Weighted status end 2025

End 2025, compared to the status at first investment, the Fund can demonstrate little progress in terms of Enviromental impact awareness. The importance of implementing a good IP strategy seems to be well-understood. Some progress is made with HR topics. Best governance practices on the board level are being implemented. ESG reporting needs further improvement.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The Fund does not have as its objective a sustainable investment, nor does it commit to make any such investment. In line with the Fund's categorization under Article 8 of Regulation (EU) 2019/2088.

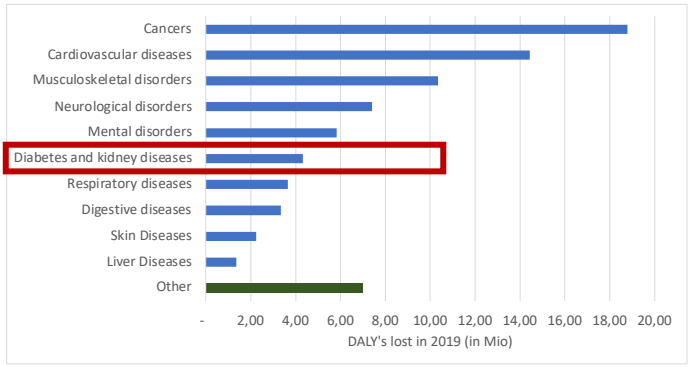
While it did not have as its objective a sustainable investment, the Fund reports that, according to the Manager's assessment of the investee company's contribution to the specific social characteristics the Fund promotes, 100% of the investments made by the Fund during the reporting period qualify as sustainable investments contributing to social objectives that correspond with the social characteristics the Fund promotes.

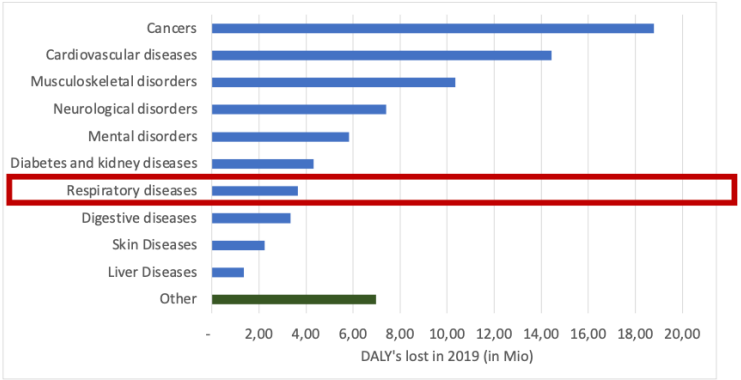
In order to provide the necessary context to understand the Fund's investee companies' contribution to the social characteristics promoted by the Fund (reported in the table below), the Manager thinks it is useful to remind the reader of this report about ***the Fund's investment strategy****:*

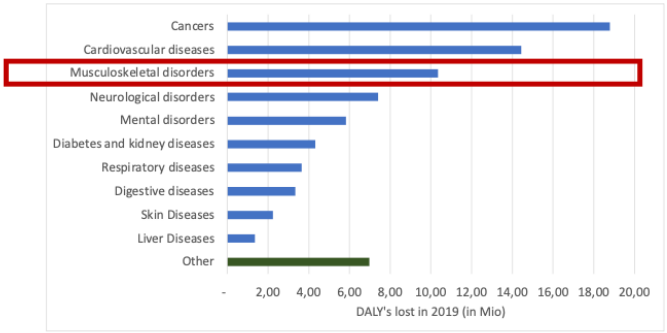
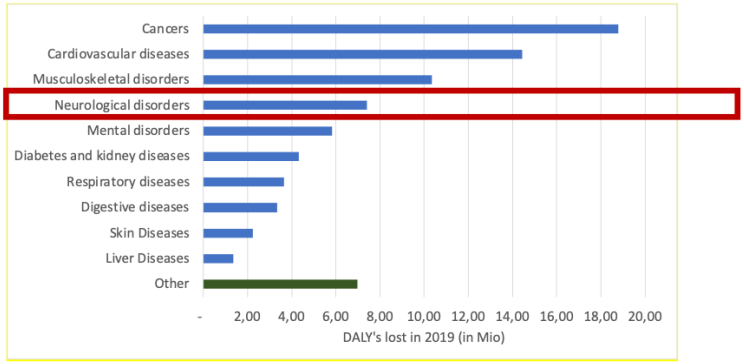
> *The Fund' mission is to invest in early-stage companies that are still in an early phase of therapy development, ranging from basic research and preclinical trails to First-In-Human clinical trials, helping them to select the indications most likely to reach Proof-of-Concept and demonstrate therapeutic efficacy in patients. In funding such early-stage companies, the Fund contributes to the development of therapeutic solutions with the potential to reduce the high societal costs associated with the care for patients with chronic diseases, and to the economic development of local life sciences ecosystems in Japan and in Europe. Note that the Fund is also allowed to invest in investee companies that focus on developing medical solutions for non-chronic diseases when such diseases have a similar, long-term impact. In what follows, the word "chronic" is to be interpreted as such.*

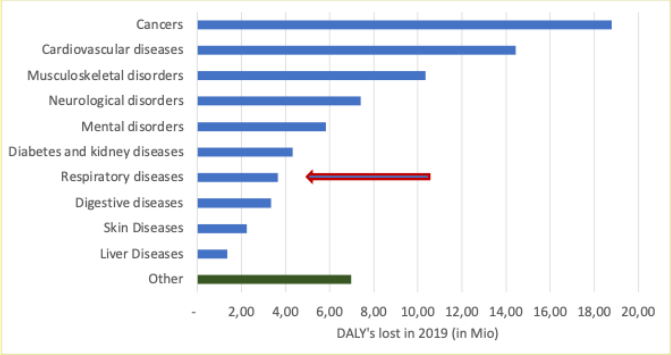
The Fund's investment strategy is to only invest in companies that contribute to the Social characteristics it promotes. In line with the European Commission's confirmation that the SFDR is not prescriptive on how to determine the "contribution" to an environmental or social objective, it is the responsibility of the Manager to determine how this "contribution" is to be measured, and the Commission's recommendation to fund managers is to exercise caution and provide transparency regarding the assessment method used to assess the "contribution".

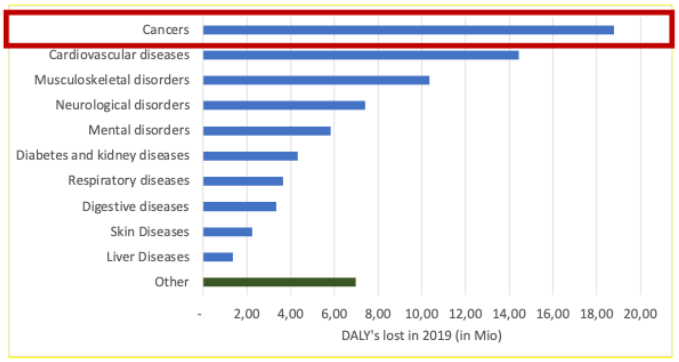
The Manager promotes that the Fund will invest in companies (i) with R&D activities specifically aimed at developing drugs (or therapies) for treating patients with chronic diseases, (ii) in disease areas with the highest social burden, and (iii) that contribute to the growth of local Life Sciences ecosystems. An investment qualifies if the investee company meets the 3 criteria against which these characteristics are assessed.

AdipoPharma	***The investee company is dedicating at least 80 % of its R&D budget to the development of treatments for patients with a chronic disease.*** *A budget plan covering the period 2025-2028, was provided. The overall target is to reach end of phase II in the specific development the drug PATAS®.* *AdipoPharma is dedicating 100% of its R&D budget within scope for investing by the Fund. End 2025, the company confirmed its 100% dedication to the approved development program in the field of Type 2 Diabetes. The Investment Committee anticipates a decision to participate in follow on investment rounds in 2026.*
	The investee company's activity focusses on chronic disease areas with the highest prevalence, hence with the highest patient reach and the highest potential to reduce societal costs associated with chronic diseases. 
	The investee company contributes to the growth of local (European, Japanese) life sciences start-up ecosystems. *End 2025, the Fund's leverage in attracting investors in was 100%. Attracting investors is considered an important factor for the viability of an start-up ecosystem*
Cellaïon	***The investee company is dedicating at least 80 % of its R&D budget to the development of treatments for patients with a chronic disease.*** *The Fund divested the company in 2024.*
	The investee company's activity focusses on chronic disease areas with the highest prevalence, hence with the highest patient reach and the highest potential to reduce societal costs associated with chronic diseases. *The Fund divested the company in 2024.*
	The investee company contributes to the growth of local (European, Japanese) life sciences start-up ecosystems. *End 2024, the Fund's leverage in attracting investors in Cellaïon was ~550%.*
Santero	***The investee company is dedicating at least 80 % of its R&D budget to the development of treatments for patients with a chronic disease.*** *Santero Therapeutics originally aimed developing novel antibacterials to counteract the increasing number of acute bacterial infections resistant against existing antibacterials. End 2025, Santero Therapeutics changed the scope of its development program to develop its antibacterials to treat Non-cystic fibrosis bronchiectasis (NCFB)*

	patients. Santero follows a four-stage, milestone-gated plan to IND filing, with a 100% dedicated budget.
	The investee company's activity focusses on chronic disease areas with the highest prevalence, hence with the highest patient reach and the highest potential to reduce societal costs associated with chronic diseases. *Non-cystic fibrosis bronchiectasis (NCFB) is a chronic lung condition that typically causes cough and sputum production, and exacerbations are associated with progressive decline in lung function and decreased quality of life. It is a chronic, progressive lung disease affecting over 1 million diagnosed patients in the US and Europe. The prevalence of NCFB is increasing, particularly among the elderly (affecting roughly 10 per 1,000 population) and is more common in females. It is often underdiagnosed, with many patients misdiagnosed with COPD or asthma. The disease is progressive and mortality is higher in patients with frequent exacerbations, Pseudomonas aeruginosa infection, and significant comorbidities. Although no direct DALY figures are available, it belongs to the group of "Respiratory Diseases" that fall within the top 10 scope of chronic diseases with the Highest prevalence.* 
	The investee company contributes to the growth of local (European, Japanese) life sciences start-up ecosystems. *End 2025, the Fund's leverage in attracting investors in Santero was ~140%. Attracting investors is considered an important factor for the viability of an start-up ecosystem*
Tensegrity Pharma	***The investee company is dedicating at least 80 % of its R&D budget to the development of treatments for patients with a chronic disease.*** *Development of a novel anti-Fn14 fully human monoclonal antibody that can antagonize Fn14-TWEAK signaling for the treatment of patients with inflamed and weakened muscles. Originally, Tensegrity selected cancer-induced cachexia as target indication. NBCII's investment hypothesis was based on this indication, knowing however that Fn14 plays an important role in many auto-immune diseases. In Q4 '25, a mid-size Pharma company has confirmed its interest in Tensegrity's anti-Fn14 Ab in Myositis (not in Cachexia). Tensegrity's focus has now shifted completely from cachexia to myositis as target indication. A new budget plan dedicated for 100% to this development was provided.*
	The investee company's activity focusses on chronic disease areas with the highest prevalence, hence with the highest patient reach and the highest potential to reduce societal costs associated with chronic diseases. *Myositis, a group of rare autoimmune diseases characterized by chronic muscle inflammationand weakness (idiopathic inflammatory myopathies), contributes significantly to disability, measured by DALYs (Disability-Adjusted Life Years). The disease is noted for its high morbidity, long-term disability, and chronic nature. Statistic results about the DALY impact of myositis are not published. However, Myositis is considered a musculoskeletal condition. It is defined as inflammation of the skeletal muscles—the muscles used to move the body. Myositis causes muscle weakness, pain, and fatigue, frequently affecting the shoulders, hips, and thighs. As the drug being developed by Tensegrity Pharma can be used in a broader spectrum of musculoskeletal disorders (e.g. Cachexia – the first selected lead indication), it is reasonable to categorize the development under his umbrella.*

	
	The investee company contributes to the growth of local (European, Japanese) life sciences start-up ecosystems. *The Fund co-invested in a Seed Round end '24 alongside a local, Japanese investor. With the help of the Fund, Tensegrity received approval for an AMED grant application* *End 2025, the Fund's leverage in attracting investors and grants for Tensegrity Pharma was ~140%. Attracting investors is considered an important factor for the viability of an start-up ecosystem*
Augustine Tx	***The investee company is dedicating at least 80 % of its R&D budget to the development of treatments for patients with a chronic disease.*** *Augustine Tx is developing best-in-Class HDAC6 non-hydroxamic acid inhibitors for disease-modifying therapies in peripheral neuropathies and neurodegenerative diseases. Lead program is the development of small molecule AGT100216 in Charcot-Marie-Tooth (CMT, a central Nerve System disease). It is demonstrated that it regenerates axons and restores nerve conduction, restores microtubule stability and motor and sensory functions in a CMT1A rodent phenotype. It dedicates 100% of its budget to the execution of this plan. No other programs will be financed with the proposed R&D budget.*
	The investee company's activity focusses on chronic disease areas with the highest prevalence, hence with the highest patient reach and the highest potential to reduce societal costs associated with chronic diseases. *Peripheral neuropathy is damage to the peripheral nerves outside the brain and spinal cord. It often causing weakness, numbness, and pain, typically in the hands and feet. Commonly caused by diabetes, infections, or injuries, it results from nerve dysfunction. Symptoms range from tingling and burning to muscle atrophy and organ dysfunction. Peripheral neuropathy is frequently found as a comorbidity in neurodegenerative diseases like Parkinson's Disease, often increasing the risk of falls and reducing quality of life. Peripheral neuropathies cause a high burden of Disability-Adjusted Life Years (DALYs) due to chronic pain, numbness, and motor dysfunction.* 
	The investee company contributes to the growth of local (European, Japanese) life sciences start-up ecosystems. *Being part of a large round of investment, the Fund's leverage was 960%..*
Bioxodes	***The investee company is dedicating at least 80 % of its R&D budget to the development of treatments for patients with a chronic disease.*** *Bioxodes develops novel therapies for thrombo-inflammatory diseases, such as Intracerebral hemorrhage (ICH - a type of stroke caused by bleeding within the brain tissue itself – a very life-threatening situation). The company is primarily focused on its lead*

	candidate, Ir-CPI (also referenced as BIOX-101), a first-in-class, multi-target biologic derived from the saliva of the Ixodes ricinus tick. This molecule acts as an inhibitor of the activated forms of Factor XI (FXIa) and Factor XII (FXIIa), specifically targeting the contact pathway of the coagulation cascade. BIOX-101 also inhibits the activation and accumulation of neutrophils at the injury site, thus addressing both procoagulant and inflammatory processes. This unique mechanism of action of Ir-CPI is its ability to provide both potent antithrombotic and anti-inflammatory properties without significantly increasing the risk of bleeding, a critical differentiation from conventional anticoagulants. It dedicates 100% of its budget to the execution of this plan. No other programs will be financed with the proposed R&D budget.
	The investee company's activity focusses on chronic disease areas with the highest prevalence, hence with the highest patient reach and the highest potential to reduce societal costs associated with chronic diseases. *Bioxodes is advancing BIOX-101 for acute medical settings, with a primary focus on the treatment of Intracerebral Hemorrhage (ICH), a severe form of stroke with high mortality and limited therapeutic options. Intracerebral hemorrhage (ICH) causes a high global burden, accounting for approximately 79.5 million disability-adjusted life-years with an age-standardized DALY rate of 92.4 per 100,000 people on a global scale, which gives a DALY rate of 4.54 in NBC II's areas of interest, close to the statistical number for chronic respiratory diseases.* 
	The investee company contributes to the growth of local (European, Japanese) life sciences start-up ecosystems. *As lead in the additional round of financing, the Fund leveraged ~440%.*
CDR-Life	***The investee company is dedicating at least 80 % of its R&D budget to the development of treatments for patients with a chronic disease.*** *T cell engager (TCE) therapies have demonstrated clinical efficacy in hematologic cancers, with multiple FDA-approved bispecific TCEs. These successes validate the TCE modality and have driven significant investments toward expanding TCE applications across a broader range of cancer indications. CDR-Life's lead candidate, CDR404, is a first-in-class dual MAGE-A4 T cell engager targeting a cancer-testis antigen frequently expressed in ovarian cancer and other solid tumors. This bivalent antibody fragment TCE binds a MAGE-A4 peptide–MHC complex on tumor cells. At the time of NBC II's initial investment, CDR404 had entered a Ph1 clinical trial in the US and in EU (with 18 sites open) to evaluate safety and early efficacy in MAGE-A4$^+$ solid tumor types. Successful proof-of-concept would validate CDR-Life's novel clinical approach. In parallel, CDR-Life is pursuing – and already has secured one in auto-immune diseases - licensing deals with large pharma companies for its other programs in oncology and ophthalmology. It dedicates 100% of its budget to the execution of this plan. No other programs will be financed with the proposed R&D budget.*
	The investee company's activity focusses on chronic disease areas with the highest prevalence, hence with the highest patient reach and the highest potential to reduce societal costs associated with chronic diseases. *CDR-Life's internal program CDR404 focusses on ovarian cancer and other solid tumors (eg NSCLC). Only ovarian cancer accounts for over 4.3 million Disability-Adjusted Life Years (DALYs) globally each year.*



The investee company contributes to the growth of local (European, Japanese) life sciences start-up ecosystems.
In a final investment proposal, the Fund's investment will leverage ~130% other investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The Fund's Investment strategy is focused on the contribution to one of more of the UN SDGs and relevant targets. This strategy dictates that the investments of the Fund will undergo a pre-investment screening, using a combination of exclusion and controversy management policies, and an ESG due diligence to ensure not only that the Fund's investee companies contribute to the Environmental/Social (E/S) characteristics promoted by the Fund, but also that they will 'do no significant harm' (DNSH) to other sustainable investment characteristics.

The Fund's exclusion criteria are based on fundamental, general and sector-specific, ethical concerns that present major risks to companies and their future financial returns. Aim is to rule out all companies with ESG risks from the Fund's portfolio and thus prevent any risks that could have an actual or potential material negative impact on the value of the investment.

The Fund will only invest in companies that respect the following set of exclusion criteria based on fundamental, general and sector-specific, ethical concerns that present major risks to companies and their future financial returns:

- *Incidents of unethical conduct (human rights issues, labor rights issues, severe environmental damage, corruption…)*
- *Business activities in excluded industries*
- *AML compatibility issues (Anti Money Laundering issues)*
- *Violations of preclinical or clinical practices (violations related to protocol adherence, clinical records, informed consent, drug accountability, adverse events)*
- *Dishonest Communications of Results (Fraud/misconduct can lead to a study losing its entire credibility and to ineffective or harmful treatment being available or patients being denied of effective treatment)*

In 2025, all investee companies of the Fund have fully complied with these exclusion criteria. No infringements have been detected and the investee companies declared in writing not to have any knowlegde aboout the occurrence of any event that could trigger an exclusion from the Fund's portfolio.

- *How were the indicators for adverse impacts on sustainability factors taken into account?*

The ESG indicators used by the Fund to carry out the pre-investment screening are based on the SFDR Principal Adverse Impacts indicators. See the Annexes for details on the Fund's ESG indicators.

- *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's investment policy rules out and helps to avoid all companies that are proven to contravene a range of fundamental responsibility standards, to contravene main principles of internationally established standards (such as the United Nations Global Compact agreement and the OECD guidelines) as regards human rights, labor rights and business ethics, as well as environmental protection, or that have been publicly facing accusations of negative behavior on environmental issues (pollution, waste management, etc.), social aspects (respect for human rights, labor legislation, etc.) or governance (lack of transparency, fraud, etc.).

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The Fund does not currently consider the adverse impacts of its investment decisions on sustainability factors (Principal Adverse Impacts on Sustainability - PAIS) in accordance with Article 7 of Regulation (EU) 2019/2088, but adopted a phased approach to be ready to report on adverse impacts and is determined to set out governance on these aspects in its procedures, as well as in the roles and responsibilities of the various teams in the upcoming years.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: *01/01/25 - 31/12/25*

Investments	Sector	% Assets	Country
AdipoPharma SAS	BioPharma	8%	France
Santero SA	BioPharma	18%	Belgium
Tensegrity Pharma	BioPharma	24%	Japan
Augustine Tx	BioPharma	35%	Belgium
Bioxodes	BioPharma	14%	Belgium

What was the proportion of sustainability-related investments?

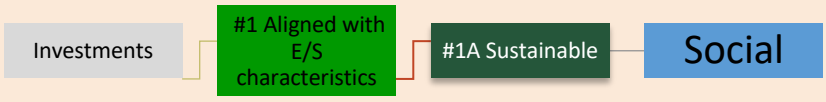
Asset allocation describes the share of investments in specific assets.

Up to the reporting date of this report, the Fund has invested in four companies and their contribution to social objectives have been assessed based on the Fund's assessment methodology, as described in previous questions of this report. I.e., the proportion of sustainability-related investments was 100%.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee

What was the asset allocation?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.

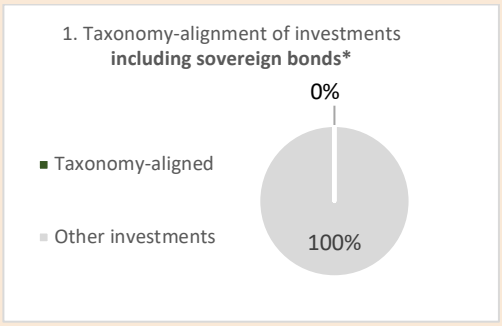
In which economic sectors were the investments made?

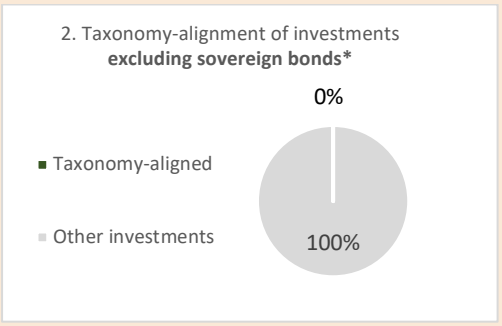
All investments made through the Fund were made in the sector 'Biopharma Products' within the group of healthcare industries.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not conduct sustainable investments with an environmental objective aligned with the EU taxonomy.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- ***What was the share of investments made in transitional and enabling activities?***
  N/A

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

  N/A

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A

What was the share of socially sustainable investments?.

During the reporting period, socially sustainable investments represented 100% of the Fund's investments.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

N/A

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund carries out deep dive sustainability assessments on each of the Fund's investee companies to verify to what extent each investee company complies with (i) the social characteristics promoted by the Fund, and (ii) the other Environmental, Social and Governance indicators the Fund monitors. These Sustainability Assessments enable to obtain a clear understanding of each company's most material ESG topics and the level of maturity of the company against these topics. The assessment approach has been audited by an external auditor using an "agreed-upon procedures" methodology.

Based on this analysis, the fund encourages the Board of the investee company to design a Sustainability Roadmap and to assess progress yearly. The Manager engages with the management of investee companies to ensure progress is made.

How did this financial product perform compared to the reference benchmark?

- ***How does the reference benchmark differ from a broad market index?*** *N/A*
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*** *N/A*
- ***How did this financial product perform compared with the reference benchmark?*** *N/A*
- ***How did this financial product perform compared with the broad market index?*** *N/A*

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Annex 1: *ESG screening table / promoted environmental and social characteristics*

FACTORS	*ESG*	*CHARACTERISTICS*	*INDICATORS*	*Consequences for value creation*	*Evaluation & scoring methodology*
Environmental management	*E*	*E. Supply chain*	*Sustainability of suppliers in terms of reliability and environment*	*Unreliable / unprofessional sourcing undermines the sustainability*	*Evaluation of control mechanisms and protocols in place*
		E. Waste management	*Treatment of industrial and general waste*	*Respecting waste treatment standards avoids litigations*	*Evaluation of business practices and protocols in place*
Medical solutions with high impact	***S***	***S. Development of treatments for patients with a chronic disease***	*Quality of the Development process*	*Efficient development practices lead to optimal use of Resources*	*Minimum % of the R&D budget earmarked for the envisaged development and evaluation of progress made in the development process, expressed as "Probability of Success"*
		S. Reduce societal Burden of Disease	*Current and future potential disease areas targeted*	*Focusing on disease areas with the highest prevalence reaches the highest patient population and has the highest potential to reduce societal cost.*	*Ranking of the targeted disease area(s) based on lost DALY statistics (= loss of healthy years of life due to a disease) and evaluation of progress made in the development process (preclinical / clinical stage of development)*
Contribution to Life Science Ecosystems		***S. Access to qualitative capital***	*#professional investors attracted*	*Attracting professional investors is key for funding development programs in successive rounds of financing*	*Minimum % of funds raised by professional investors other then the Fund and monitoring of the evolution of the leveraged funds.*
Corporate Business standards	*G*	*G. Protection of Know how*	*Patents and Publications*	*Protection of know how is key in building value*	*Evaluation of patent / publication strategy*
		G. Data Protection	*Compliance with Data Protection standards (avoiding Cybercriminality)*	*Cybersecurity is key to protect sensitive (patient) data.*	*Evaluation of business practices and protocols in place, infringements*
		G. HR Policy	*Diversity and remuneration policy*	*The ability to hire and retain talented people is key to value creation.*	*Evaluation of HR policies implemented to stimulate recruitment and retainment.*
		G. Health & Safety	*Health & Safety compliance and well-being at work*	*Workers perform better in a good working environment*	*Evaluation of business practices and policies in place*
		G. Code of Conduct related to exclusion criteria	*Avoidance of exclusion criteria*	*Shareholders will withdraw and ask for compensations in case of breach of exclusion criteria*	*Evaluation of business practices and policies in place*
		G. Business Ethics	*Ethical standards and values*	*Companies may face direct or indirect financial losses through fines, penalties, litigations or reputation damage.*	*Evaluation of business practices and policies in place, infringements*
		G. Corporate Governance policy	*Legal and internal Corporate Governance obligations*	*Neglecting Corporate Governance rules may result in litigations.*	*Evaluation of legal and internal obligations, infringements*
		G. Conflict-of-interest management	*Independence of Decision-making bodies in the company*	*Conflict-of-interest situations may lead to non-optimal decisions*	*Board composition*
		G. ESG reporting	*Transparency in reporting to shareholders*	*Shareholders are assets helping the company and need to be sufficiently informed*	*Evaluation of quality of ESG reporting and frequency*

Annex 2 : social objectives the sustainable investments contributed to, and Manager's methodology to assess the contribution to the social objectives

The Manager's methodology to assess the contribution to the social objectives

Focus on development of treatments for patients with a chronic disease

The investee company is dedicating at least 80 % of its R&D budget to the development of treatments for patients with a chronic disease.
Investing in the development of treatments for patients with chronic diseases will eventually result in a noticeable effect on improving sustainability in society.

Criterion: the assessment will be based on the budget in the business plan proposed by the investee company and approved by the Fund's Investment Committee. For follow on, the evolution of the Probability of Success to reach the envisaged development target will be monitored.

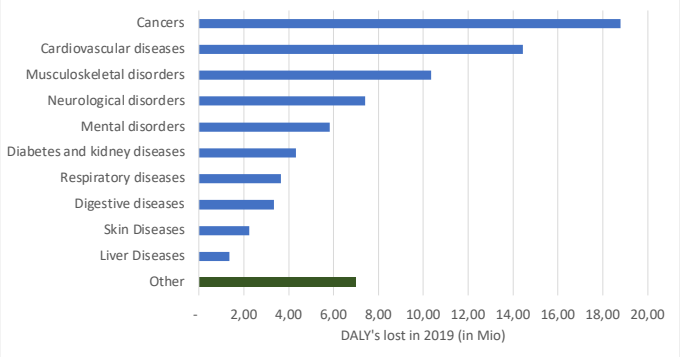
Focus on disease areas with the highest societal burden

The investee company's activity focusses on chronic disease areas with the highest prevalence, hence with the highest patient reach and the highest potential to reduce societal costs associated with chronic diseases.

Assessing reach and impact of chronic diseases (or Non-Communicable Diseases - NCDs) by both mortality and morbidity provides a good encompassing view on health outcomes. The sum of mortality and morbidity is referred to as the 'burden of disease' and can be measured by a metric called 'Disability Adjusted Life Years' (DALYs). DALYs are measuring lost health and are a standardized metric that allow for direct comparisons of disease burdens of different diseases across countries, between different populations, and over time. Conceptually, one DALY is the equivalent of losing one year in good health because of either premature death or disease or disability. One DALY represents one lost year of healthy life.
DALYs are published by researchers at the Institute of Health Metrics and Evaluation (IHME) and the 'Disease Burden Unit' at the World Health Organization (WHO), which was created in 1998. The IHME continues the work that was started in the early 1990s and publishes "Global Burden of Disease" studies. Assessing the burden of the disease area(s) on which the investee company is focusing its research is based on the publication "Burden of Disease - How is the burden of disease distributed and how did it change over time?" by Max Roser, Hannah Ritchie and Fiona Spooner, - first published in 2016; most recent update in September 2021. Reference: Institute for Health Metrics and Evaluation, Global Burden of Disease (2019)/ World Health Organization (via World Bank) – processed by Our World in Data. The table below gives the prevelance in DALYs lost in 2019 for the top 10 of NCDs in the core regions in which the Fund invests (in Mio). The world figure is included for information and shows that NCDs are a dominant factor of the Disease Burden in developed countries.

DALY's lost in 2019 NCDs (in Mio yrs)	World	Japan	Belgium	France	Gemany	Luxemburg	Netherlands	Switzerland
Cancers	251,39	7,42	0,66	3,83	5,32	0,03	1,12	0,40
Cardiovascular diseases	393,11	5,54	0,48	2,31	5,13	0,02	0,64	0,31
Musculoskeletal disorders	150,08	4,73	0,32	1,84	2,68	0,02	0,48	0,27
Neurological disorders	97,72	3,18	0,26	1,45	1,98	0,01	0,35	0,17
Mental disorders	125,31	1,80	0,23	1,44	1,76	0,01	0,38	0,20
Diabetes and kidney diseases	112,73	1,69	0,15	0,59	1,58	0,01	0,20	0,10
Respiratory diseases	103,53	1,29	0,18	0,58	1,22	0,01	0,29	0,09
Digestive diseases	88,99	1,30	0,12	0,62	1,11	0,01	0,13	0,06
Skin Diseases	42,88	0,78	0,09	0,58	0,60	0,00	0,13	0,06
Liver Diseases	46,19	0,49	0,05	0,26	0,50	0,00	0,04	0,02
Other	188,30	2,03	0,31	1,63	2,35	0,02	0,42	0,22
	World	Japan	Belgium	France	Gemany	Luxemburg	Netherlands	Switzerland
% impact of NCDs on total DALYs lost	63,84%	85,45%	84,67%	84,88%	89,17%	86,46%	88,40%	86,32%

Graphic representation of the consolidated figure for the core regions:



The same publication also addresses the link between Disease Burden and NCD Health Expenditure. Using population figures of 2019, the total NCD Health Expenditure in 2019 was USD 1,5 trillion in the core regions. For the whole world, this was USD 7,5 trillion. A study by the World Economic Forum in 2011 predicted a growth of this figure to over USD 40 trillion by 2030. It clearly shows that focusing on treatments for chronic diseases with the highest prevalence also has an immediate, huge impact on societal cost pressures.

Criterion: the assessment will be based on the potential of the Investee company's development program sponsored by the Fund to address (an) indication(s) within the top 10 of the chronic disease areas with the highest Disease Burden as shown in the chart above. In case the company is addressing indications in an acute disease area with chronic or epidemic consequences, the DALYs of this disease area need to fall within the range of the top 10 of the chronic disease areas. For follow on, the evolution of the preclinical / clinical development stage will be monitored.

Contribution to growth in local life science ecosystems

The investee company contributes to the growth of local (European, Japanese) life sciences start-up ecosystems.

An innovation ecosystem is a network of innovators, startup companies, stakeholders, funders, and venture capitalists that interact together to drive ideas into products that add value in the marketplace. *(Ref: "ENTREPRENEURIAL ECOSYSTEMS AND GROWTH ORIENTED ENTREPRENEURSHIP" By Prof. Colin Mason and Dr. Ross Brown - Background paper prepared for the workshop organized by the OECD LEED Program and the Dutch Ministry of Economic Affairs in The Hague, Netherlands, on the 7th November 2013.* *Six groups of factors to measure its performance can be identified (Isenbergs-model-of-an-entrepreneurship-ecosystem): Human Capital, Market Reach, Policy, Finance, Innovation Culture and Support.*

- *Human Capital indicators:*
  - *Labor - innovators as well as skilled and unskilled workforce members*
  - *talent acquisition and development strategies and structures*
- *Market Reach indicators:*
  - *immediate and direct access to marketplaces and a broad customer base*
  - *robust supply chains*
- *Policy Indicators: a broad spectrum of parameters (e.g. provide social legitimacy, regulatory framework around many topics such as intellectual property rights)*
- *Innovation Culture indicators: parameters that foster creativity and risk-taking in the ecosystem;*
- *Funding indicators: quality, quantity, and accessibility to capital (including micro-loans, angel investors, friends and family, zero-stage venture capital, venture capital funds, private equity, robust capital markets, and access to debt);*
- *Support indicators: a broad spectrum of parameters amongst which access to infrastructure, innovation hubs, accelerators, conferences, networking events…*

The Fund will follow up on many of these indicators (see Annex 1). As a Venture Capital Investor with a strong syndication policy, the following indicator will be assessed as qualifying criterium for an investment: quality, quantity, and accessibility to capital.

Criterion: the investment agreement must demonstrate that > 20% from the funds the investee company is raising in the first round of investment in which the Fund participates is coming from other professional investors such as reputable business angels, family offices and venture capitalists. For follow up: the Investee company demonstrates its commitment to further strengthening the investor syndicate in follow-on rounds.

Annex 3: *table explaining the meanings of the different ESG scores*

Environmental indicators	***supply chain sustainability****: to what extent is the Company putting pressure on its suppliers to meet industry standard sustainability levels?* *Scoring:* *0. Supply chain sustainability is not monitored* *1. Selection criteria for suppliers (reliability, flexibility to anticipate on changes in trial programs, agility toward market and regulatory changes, risk exposure and cost impact) are monitored but no formal protocol is in place.* *2. Protocol with selection criteria is approved by the board of directors* *3. The supply chain protocol is periodically reviewed by the Board of Directors* *4. Sustainability clauses describing expected performance of the defined selection criteria are intrinsically part of supplier agreements* *5. The Company is periodically auditing its supply chain sustainability*
	waste management*: to what extent is the Company meeting industry standard waste management levels?* *Scoring:* *0. Waste management is not considered a priority* *1. The company declares it follows std business practices related to waste management, but no formal policy is in place* *2. A SOP policy including waste management criteria is approved by the board of directors* *3. The waste management policy is periodically reviewed by the board of directors* *4. The company systematically reports the results of the implementation of the company's waste management policy* *5. The company is demonstrating in an audit report that it systematically reduces its waste (weighted).*

Social indicators	***Development of treatments for patients with a chronic disease:*** *to what extent has the company reached its research and development objectives, expressed as "Probability of Success" (including technical, commercial and financial risk) to develop (a) new treatment(s) for patients with chronic diseases?* *<u>Scoring:</u>* *0. the company has a 0% to 20% probability to reach the targets expected by the Fund;* *1. the company has a 20% to 40% probability to reach the targets expected by the Fund;* *2. the company has a 40% to 60% probability to reach the targets expected by the Fund;* *3. the company has a 60% to 80% probability to reach the targets expected by the Fund;* *4. the company has a 80% to 100% probability to reach the targets expected by the Fund;* *5. the company has reached the targets expected by the Fund, leading to an exit of the Fund as an investor in the company.*
	Reduce societal Burden of Disease: *how is the company progressing in developing new treatments that will finally have the potential to reduce the Disease Burden?* *<u>Scoring:</u>* *0. The development program of the main objective is in research (lab) stage* *1. The development program of the main objective is in pre-clinical stage (e.g. testing on animal models)* *2. The development program of the main objective is in Ph1 (clinical) trial stage (or equivalent)* *3. The development program of the main objective is in Ph2 (clinical) trial stage (or equivalent)* *4. The development program of the main objective is in Ph3 (clinical) trial stage (or equivalent)* *5. The developed treatment has achieved approval for market by at least one of the three most important regulatory bodies (FMA, EMA, PDMA)*
	Access to qualitative capital: *what is the leverage capacity of the Fund to help the company to attract professional investors?* *<u>Scoring:</u>* *0. No leverage (=1)* *1. Leverage is < 2* *2. Leverage is < 3* *3. Leverage is < 4* *4. Leverage is < 5* *5. Leverage is > 5*

Governance indicators	***Patents and publications****: To what extent has the company an Intellectual Property strategy in place?* <u>*Scoring:*</u> *0. A long-term IP strategy is not considered a priority* *1. The company is filing patents and claims a long-term IP strategy incl ownership, non-infringement, protection and enforceability.* *2. The company has a written document related to its IP strategy, including patent landscaping, scientific publication schemes and FTO analyses* *3. The company has a written document related to its IP strategy, approved and periodically reviewed by the Board of Directors* *4. The company periodically reports to the Board of Directors to what extend it has followed its IP strategy in terms of # patents filed, life span of the patents, FTO updates and # scientific publications in reputable journals* *5. The company has hired or contracted an internal or external IP expert that periodically reports to the Board of Directors*
	Cybersecurity: *To what extent does the company have policies on data protection including Cybersecurity?* <u>*Scoring:*</u> *0. Data protection and Cybersecurity is not considered a priority* *1. The company declares it follows std industry practices with regard to Data protection and Cybersecurity but has no formal policy.* *2. The company has a policy on Data protection and Cybersecurity* *3. Compliance with the policy on Data protection and Cybersecurity is reported to the Board.* *4. A data protection and Cybersecurity committee reports recommendations to the Board* *5. No issues related to Data protection and Cybersecurity were identified since the last reporting period.*

Governance indicators	***HR policy**: to what extent has the company implemented HR policies to enable recruitment and retainment of talented people and to stimulate diversity and equal remuneration?* *<u>Scoring:</u>* *0. HR management is not top-of-mind* *1. the company declares it ifollows std business practices related to HR but no formal policy is in place* *2. The Company has a written HR policy in place* *3. A Remuneration Committee systematically reports HR matters to the Board.* *4. The Remuneration Committee systematically follows industry trends related to sector-specific remuneration and periodically evaluates how the company is positioned.* *5. The company has a Remuneration Policy in line with industry and ethical standards and can demonstrate with facts and figures that it is capable to attract and retain essential staff functions.*
	***Health & Safety**: To what extent does the company have policies on health & safety and well-being at work?* *<u>Scoring:</u>* *0. Creating a Healthy and save working environment is not considered a priority* *1. The company declares it follows std industry practices with regard to Health & Safety measures on the work floor.* *2. The company has a policy on Health & Safety* *3. Compliance with the policy on Health & Safety is reported to the Board.* *4. A Health & Safety committee reports recommendations to the Board involving feedback from all employees and co-workers* *5. Demonstrate decreasing # of Health & Safety issues reported to the Board since the last reporting period.*

	Code of Conduct *related to exclusion criteria: To what extent has the company implemented a "Code-of-Conduct" policy related to the follow up of the identified exclusion criteria?* *Scoring:* *0. No "Code-of-Conduct" is in place and no reference is made to external Codes* *1. the company has no INTERNAL "Code-of-Conduct" in place and declares to follow std industry practices (eg industry code of conduct guidelines)* *2. a "Code-of-Conduct" is in place* *3. the exclusion criteria listed in the "Code-of-Conduct" are periodically reviewed by the Board* *4. no infringements of exclusion criteria were detected or if infringements were monitored, adequate mitigating actions have been taken on the Company level* *5. the company is systematically evaluating whether its EXTERNAL suppliers are infringing exclusion criteria and if yes, adequate mitigating actions have been taken*
Governance indicators	***Business Ethics:*** *To what extent does the company have policies on business ethics in its development processes? (note: how does the Company manage to avoid that its staff uses unethical business proposals to get things done)* *Scoring:* *0. Behavior in terms of ethical product development is not monitored* *1. The company declares it follows std industry practices with regard to ethical product development but no formal policy is in place.* *2. The company has a policy related to ethical product development.* *3. Compliance with the company's policy related to ethical product development is reported to the Board.* *4. Staff contracts contain obligations to follow the company's policy related to ethical product development and penalties in case of infringements.* *5. Decreasing # infringements reported to the Board since the last reporting period reported to the Board.*

Governance indicators	***Corporate Governance policy****: to what extent is the company legally structured to guarantee the best Corporate Governance practices?* <u>*Scoring:*</u> *0. the company is not a legal entity with adequate Corporate Governance obligations, i.e. Belgian SA/NV type of obligations* *1. the company is a legal entity with adequate Corporate Governance obligations, i.e. Belgian SA/NV type of obligations* *2. the company is benchmarking its Corporate Governance policy with national, sectorial... Corporate Governance practices* *3. the company has formalized its Corporate Governance policy* *4. Compliance with the Corporate Governance policy is regularly reported to the Board of Directors* *5. The company demonstrates to the Board that no infringements have taken place or mitigating actions have been taken*
	Conflict-of-interest management*: To what extent has the Company a Board that is completely independent from Management and Shareholders?* <u>*Scoring:*</u> *0. The company is not incorporated yet or is a legal entity in which board and shareholders' responsibilities do not need to be clearly identified.* *1. The company is incorporated as a legal entity and complies with applicable law related to board and shareholders' responsibilities.* *2. The responsibilities of the three bodies of the company - the Board, the Shareholders and the Management - are clearly defined but a majority of the Board Directors is part of the Management of the Company.* *3. The responsibilities of the three bodies of the company - the Board, the Shareholders and the Management - are clearly defined but at least one of the Board Directors is part of the Management of the Company.* *4. The responsibilities of the three bodies of the company - the Board, the Shareholders and the Management - are clearly defined and Management has no representatitve in the Board but at least one of the Board Directors is a direct representative of a Shareholder.* *5. The company has established a Direction Committee that is supervised by the Board that reports to the Shareholders without mixing responsibilities amongst the three bodies.*
	ESG reporting / monitoring*: To what extent is the company reporting its ESG compliance?* <u>*Scoring:*</u> *0. The Company has not evaluated its potential risks when not being compliant in terms of ESG* *1. The Company has evaluated its potential risks when not being compliant in terms of ESG but has no specific ESG reporting structure in place* *2. The Company has evaluated its potential risks when not being compliant and informs its Board and Shareholders about this when asked* *3. The company systematically informs its Board about its ESG compliance as part of the Board agenda (min. once per year)* *4. On top, the company systematically informs its Shareholders about its ESG compliance - e.g., as part of the agenda of the annual meeting* *5. The Company is performing an external audit on its ESG performance once per year and communicates the results to its shareholders*