

ANNEX II

Pre-contractual 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

Product Name: Innovestor Life Science Fund Ky ("Product")

Business ID: 3250546-8

Environmental and / or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments 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

Siinä tehdään **kestäviä sijoituksia, joilla on yhteiskunnallinen tavoite**, vähintään: __ %

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments

with an environmental objective in economic activities that 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 promotes E/S characteristics, but **will not make any sustainable investments**

1. What environmental and/or social characteristics are promoted by this financial product?

According to its investment strategy, the Fund invests in early stage companies in the field of life sciences and health related products, technologies and services. Such products go through rigorous testing according to regulatory requirements to validate their associated clinical benefits. As such, the Fund's investments promote the development of innovative technologies that contribute to good health and well-being. In the long run, such investments will translate into better access to therapies, saved lives, and increased quality-of-life for patients.

Independent of the Fund's investment strategy, the Fund manager will also promote other social characteristics, including gender diversity of the senior management, the

existence of an ESG or DEI policy, and the ethicality of the investments, as an active shareholder in the Fund's portfolio companies.

1.1. What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

1. Gender diversity of the senior management of the Fund's portfolio companies
2. Contribution to United Nations' Sustainable Development Goal (SDG) 3: Good Health and Well-being
3. The existence of an ESG policy or DEI policy in the Fund's portfolio companies
4. Ethicality of the investments of the Fund

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 EU criteria.

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

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

2. Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
- No

3. What investment strategy does this financial product follow?

The Fund will make investments in early-stage companies in the field of life sciences and health related products, technologies and services. Investments will primarily comprise equity investments but may also include loan instruments in connection with or in anticipation of an equity investment. Follow-on investments are expected to form a substantial part of the Fund's investments.

The Fund's investment focus is science-driven early-stage companies that develop and/or offer products, services, and/or applications in the field of life sciences and health. Most interesting sectors include Therapeutics, Digital Health. This strategy is implemented by continuous screening potentially interesting portfolio companies as identified at academia, events, referrals, and in-bound deal flow, and diligently analyzing each case considering their fit with the investment strategy, potential, and ESG related issues.

3.1. What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Fund's investment strategy defines several Restricted Sectors in which it will not invest. Potential investments are cross-checked against the Restriction Sector list during the Fund's investment analysis. This ensures the Fund will not select investments in e.g. fossil fuel based energy production, energy-intensive or high CO2 emitting industries, weapons, or any illegal activities.

The Fund only invests in companies that "develop and/or offer products, services, and/or applications in the field of life sciences and health". This binding element ensures investing with high contribution to UN SDG3.

All investees must pass the Fund's routine Due Diligence process, including ESG Due Diligence. Findings in the ESG DD may be recorded as action items for the company in case the investment is completed. For instance, a non-diverse management team or Board of Directors could result in action item for the company to increase diversity.

3.2. What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

All investments of the Fund, according to its investment strategy, contribute to health; as such, all investments contribute to societal benefits. Therefore, the Fund does not have such a minimum rate. The Fund will not reduce the scope of the investments considered prior to the application of the investment strategy.

3.3. What is the policy to assess good governance practices of the investee companies?

All investees must pass the Fund's routine Due Diligence process, including ESG Due Diligence. During the Due Diligence process e.g. the following aspects are looked into: Each investee company shall be duly incorporated and registered according to local legislation, and have a functioning Board of Directors with independent Board member(s) in due course depending on the stage of the company. Additionally, the investee company shall have a Shareholders' Agreement covering the rights and obligations of the shareholders, and an independent auditor.

4. What is the allocation planned for this financial product?

100% of the investments of the Fund will be made according to its investment strategy, will contribute to health, and therefore, will contribute to societal benefits.



#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.

5. Where can I find more product specific information online?

Innovestor's web site: <https://innovestorgroup.com/sustainability/sustainable-finance-compliance/>