

**LSP LIFE SCIENCES FUND N.V.**

Annual Report

2021

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# PROFILE

## General information

LSP Life Sciences Fund N.V. (the Fund) is a public company with the status of an investment company with variable capital organised and established under the laws of the Netherlands on 18 April 2011. The Fund has its statutory seat in Amsterdam, the Netherlands and is registered at the Trade Register of the Chamber of Commerce in Amsterdam under file number 52545474. The Fund is an open-end investment fund listed on Euronext Amsterdam. The Fund qualifies as a tax-exempt investment fund within the meaning of article 6a of the Dutch corporate income tax act. Accordingly, the Fund is not subject to Dutch corporate income tax.

## Investment strategy

The Fund's primary investment objective is to achieve capital appreciation by investing in a diversified, yet concentrated portfolio of publicly listed life sciences companies (including biopharmaceutical, specialist pharmaceutical, medical device, drug delivery, vaccine and diagnostic companies). The majority of the Fund's portfolio will consist of European companies listed on one of the (main) European stock exchanges, with a market capitalization of below Euro 2.5 billion at the time of investment. The Fund Manager believes that in particular this sub-segment of companies – generally referred to as the small- and midcap segment – offers great potential for value growth. Typically, these companies will have developed a suite of innovative technologies that offer benefit over existing technologies and approaches. In addition, these companies have frequently established a product development pipeline that consists of therapeutics that have the potential to offer clinical benefit to a large and/or underserved market. The Fund intends to specifically target those companies that are projected to realize important clinical, regulatory or commercial milestones, value-enhancing partnerships and/or offer M&A potential. By doing so, the Fund expects to benefit from the value increases that frequently accompany the announcement of such milestones, partnerships or M&A transactions.

## Fund Governance

The Fund is managed by LSP Advisory B.V. as Alternative Investment Fund Manager (AIFM) and managing director of the Fund. Following the acquisition by EQT of LSP, LSP Advisory B.V. is now a wholly owned subsidiary of EQT Life Sciences Group B.V. which in turn has EQT AB, a Swedish public company with a listing on the Copenhagen Stock Exchange, as its ultimate parent.

The Fund Manager is responsible for the entire management of the Fund in accordance with the provisions of the Fund's organizational documents and applicable laws. The core investment team of the Fund Manager consists of two individuals - Mark Wegter and Geraldine O' Keeffe – who have complementary investment skills and backgrounds relevant to the Fund's business.

The investment team receives full support from the in-depth industry knowledge of the entire cross-Atlantic and pan-European EQT Life Sciences (previously LSP) organization. The Fund Manager is further supported by EQT Life Sciences' established, global network of advisors and experts who bring specific expertise essential for performing in-depth due diligence on potential and existing investee companies.

The Fund Manager has been granted a license pursuant to Article 2:65 of the Dutch Financial Markets Supervision Act (Wft) by the Netherlands Authority for the Financial Markets on 12 April 2011. With the Alternative Investment

Fund Managers Directive (AIFMD) that came into force on 22 July 2014, this license has been converted into an AIFM license by legislative decree.

The Supervisory Board of the Fund comprises of Onno Paymans and Maarten Scholten, who both have relevant expertise on the Fund's business. The principal duties and responsibilities of the Supervisory Board include (i) the supervision of the management of the Fund as performed by the Fund Manager as well as to supervise the general course of affairs of the Fund, and (ii) resolving any conflict of interest situation the Fund is involved in. The Supervisory Board also serves as the Audit Committee of the Fund.

# DIRECTOR'S REPORT

## Investment Performance

As per the end of December 2021, the Fund has been operational for over ten and one-half years and has shown strong performance over that period. The Net Asset Value per share of the LSP Life Sciences Fund moved from Euro 289.37 as at 31 December 2020 to Euro 221.84 (minus 23.3%) as at 31 December 2021. The Fund thus recorded a loss for the period of Euro 13.3 million compared to a profit of Euro 10.4 million in the prior year. As outlined in the prospectus, the Fund aims to provide absolute return for its investors. The Fund Manager is of the opinion that there is no proper benchmark available, which can be used to evaluate the Fund's performance. Therefore, no comparative benchmark data is presented in this report. Importantly, we focus to a lesser extent on short term investment opportunities and remain true to our strategy of building a balanced portfolio with investments that offer upside in the mid- to long term (on average 1 to 2 years). Our portfolio primarily holds investments in companies that have a market cap below Euro 1 billion. As at 31 December 2021 the value of the portfolio amounted to Euro 36.4 million holding 17 names (2020: 58.5 million and 19 names).

The portfolio consists exclusively of equity (-derived) positions in listed life sciences companies that jointly provide a balanced - yet concentrated - exposure to the sector. Investments have been spread across clinical stage of development, disease area, geography, field of technology and business model. The majority of the investments in the period were in the area of drug development, combined with investments in innovative diagnostics, medical devices and specialty pharma companies. Equity stakes were predominantly below 5% of the portfolio company's outstanding capital, the exact size depending on company specific factors such as liquidity, market capitalization, timing of expected news flow and long-term outlook. Holding periods consequently varied. The monthly reports of the Fund that are published on the Fund's website lists the top-5 best performing stocks of the respective month.

## Alternative Investment Fund Managers Directive

The Fund Manager has implemented the Alternative Investment Fund Managers Directive (AIFMD) that came into force on 22 July 2014. Furthermore, it has appointed CACEIS Bank Netherlands Branch as Depositary for the Fund in accordance with the directive. The Depositary is responsible for the (i) the safekeeping of the Fund's assets, and (ii) the oversight and supervision of the Fund and the management of the Fund by the Fund Manager. The Depositary has delegated its day-to-day custody tasks to CACEIS Bank Netherlands Branch. The depositary remains liable towards the Fund for loss of assets of which the custody has been delegated to CACEIS Bank Netherlands Branch or another third party. The Depositary can only discharge itself from such liability if all the requirements of article 21(13) or 21(14) of the AIFMD are met.

## Fund's risk management

The Fund has exposure to market risks, liquidity risk, credit risk, counterparty risk and operational risks, including preservation and legal and tax compliance risks. The Fund Manager applies a comprehensive process based on qualitative and quantitative risk measures to assess the risks of the Fund entailing a standard monitoring process which consists of pre-defined monitoring items and cycles. The overall exposure of the Fund is calculated by means of the Value-at-Risk (VaR) methodology. A detailed description of the Fund's risk management is provided on pages 28-31 of this report.

### **Fund policy regarding voting rights and voting conduct**

The Fund Manager will actively exercise, or deliberately refrain from exercising, voting rights attached to the Fund's shares in its portfolio companies. The Fund Manager will determine the manner in which voting rights are being exercised on a case-by-case basis, but at all times in the best interests of the Fund and the investors of the Fund. During 2021 the Fund Manager has not exercised its voting rights.

### **Human resources**

The Fund does not employ any personnel. The management of the Fund is entrusted to the Fund Manager.

### **Remuneration of the Fund Manager's staff**

During the year 2021 the Fund Manager paid Euro 1.7 million (2020: 1.4 million) to its staff members. Of this amount Euro 1.4 million (2020: 0.8 million) was fixed remuneration and Euro 0.3 million (2020: 0.6 million) was variable.

Of the total remuneration referenced above, Euro 0.5 million (2020: 1.0 million) related to the directors of the Fund Manager. This consists of a fixed remuneration of Euro 0.5 million (2020: 0.6 million) and a variable compensation for the period of Euro 29 thousand (2020: 0.4 million).

The total remuneration that is attributed to managing the Fund for the period amounts to Euro 0.2 million (2020: 0.6 million), such amount being allocated on the basis of the average Assets under Management of the various activities of LSP Advisory B.V. The tables below show the breakdown of the remuneration attributed to the management of the Fund for the current and prior period. For the year 2021 the allocation to the Fund amounts to 9.2% (2020: 42.3%) of the total remuneration.

<b>2021</b>	<b>Beneficiaries</b>	<b>Fixed</b>	<b>Variable</b>	<b>Total</b>
		<b>remuneration</b>	<b>remuneration</b>	<b>Remuneration</b>
Directors	4	45,178	2,644	47,822
Identified staff	12	56,908	18,224	75,132
Other employees	11	26,567	3,380	29,947
Total	27	128,653	24,248	152,901

<b>2020</b>	<b>Beneficiaries</b>	<b>Fixed</b>	<b>Variable</b>	<b>Total</b>
		<b>remuneration</b>	<b>remuneration</b>	<b>Remuneration</b>
Directors	2	254,383	153,673	408,056
Identified staff	1	13,466	30,861	44,327
Other employees	2	80,634	61,723	142,357
Total	5	384,483	246,257	594,740

## **Sustainable Finance Disclosure Regulation**

As of 10 March 2021, the new Sustainable Finance Disclosure Regulation (SFDR) is in effect. The SFDR stems from the European Commission's initiative to promote sustainable investment across the European Union and is part of the EU's 2018 Action Plan on Sustainable Finance. In order to comply with the SFDR, the AIFM has assessed the environmental, social and governance (ESG) related characteristics of the Fund and makes the following disclosures in order to comply with the SFDR:

### *Integration of sustainability risks (article 6(1) (a) SFDR)*

A sustainability risk means "an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment". Before an investment decision is made on behalf of a Fund, the AIFM follows a structured investment decision process as detailed in the Administrative Organization and Internal Control guide of the AIFM. Part of the investment decisions process is that the risk management function of EQT Life Sciences assesses the risks attached to a potential investment opportunity, which includes sustainability risks. Identified sustainability risks are taken into account by the investment team of the Fund when making investment decisions.

### *Likely impact of sustainability risks on return (article 6(1) (b) SFDR)*

The AIFM has analysed the sustainability risks - including extreme weather events, natural disasters, water crises, spread of infectious diseases and resource scarcity – of the portfolio companies. Mainly based on the geographical location of the portfolio companies and the nature of their development and production processes, the AIFM deems the likely impact of sustainability risk on the return of the Fund to be low.

### *Fund level disclosures (article 10 SFDR)*

For the purposes of article 10 of the SFDR, the AIFM considers that the Fund is a financial product which promotes, among other characteristics, environmental and social characteristics as referred to in article 8 SFDR, and in this respect makes the following disclosures:

### *Environmental and social characteristics*

The Fund promotes reducing society's unmet medical need by investing predominantly in companies that are developing treatments for life threatening diseases or serious debilitating conditions.

### *Good governance*

In the fundamental due diligence process of the Fund the prospective portfolio company is assessed on its practices with respect to good governance. Such good governance practices include (i) a sound management structure with a (supervisory) board that monitors the company's executive management, (ii) an appropriate level of employee ownership and (iii) compliance with national and international tax compliance standards.

### *How the environmental and social characteristics are met*

To determine to what extent this societal characteristic is attained, the Fund aggregates the total number of products that address these unmet medical needs across all its portfolio companies.



## **Administrative organization and internal controls**

The Fund Manager and the Fund have documented the administrative organization and internal controls in accordance with the Dutch Financial Markets Supervision Act (Wft) and the Decree on Market Conduct Supervision of Financial Business (Bgfo). During the reporting period we have reviewed the various aspects of our operations. Our review did not find anything that would lead us to conclude that the administrative organization and the system of internal controls as referenced in article 121 of the Bgfo does not satisfy the requirements as laid down in the Bgfo and related regulations. Furthermore, we did not find that the administrative organization and internal controls are ineffective or that they do not operate in accordance with their description.

Based on the above, we declare as AIFM of the LSP Life Sciences Fund N.V. that we are in possession of a description of the administrative organization and internal controls in accordance with Article 121 of the Bgfo, which fulfils the requirements of the Bgfo. We also state with a reasonable degree of certainty that the administrative organization and the system of internal controls were effective and operated in accordance with its description during the reporting period.

The director of LSP Life Sciences Fund N.V. confirms to the best of its knowledge that:

- the financial statements for the year 2021 have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Netherlands Civil Code as well as the Dutch Act on Financial Supervision and give a true and fair view of the assets, liabilities and financial position of LSP Life Sciences Fund N.V. as at 31 December 2021 and of its result for the period then ended;
- the report includes a fair review of the key developments of the Fund during the period and the effects thereof on the annual report, together with the principal risks and uncertainties of upcoming six months;
- the report provides adequate disclosure of the principal transactions with related parties.

## **Recent developments**

In November 2021, LSP and EQT, a leading global investment firm, announced an agreement to acquire LSP in order to strengthen EQT's position as one of the leading and most active investors in the healthcare sector. The transaction was subject to customary closing conditions, including antitrust, regulatory and certain fund investor clearances. The transaction has closed at the end of February 2022. The team, investment process and decision making will not be impacted by the transaction and hence no adverse impact for the Fund and its investors is anticipated. Following the acquisition, LSP has been rebranded to EQT Life Sciences.

## **Outlook**

The Healthcare sector as a whole has gained a lot of momentum following the Covid Crisis that hit the world in 2020. It seems as if the general public (and many retail investors) have suddenly become aware of the importance of the healthcare sector – and in particular the biopharmaceutical sub sector targeting the development of innovative drugs – and flocking into healthcare stocks as a result. During the year, we have seen a move into large cap in particular, while the small- and mid-cap stocks lost quite some of their lustre. This may or may not continue for some time although history has shown that interest in the most innovative small cap companies, finds momentum at some point. The fund was established with the strategy of finding such small to mid-sized interesting, innovative healthcare companies in Europe and the US – with a particular focus on drug/therapeutic development companies.

Despite the market turmoil that we have seen in 2021, our strategy of investing based on extensive due diligence of fundamental assets and technology has not changed.

The fund typically holds 15 -20 conviction buys in the portfolio at any one time. In total, the fund held on average around 20 companies in 2021, spread across a range of different therapeutic areas and strategies. This is a relatively high-risk sector and not without its setbacks. As is to be expected, not all companies in the portfolio are going to be successful. Still, the LSP Life Sciences Fund continues to invest in and support really exciting medical innovations. Our strategy is to always invest in treatments which can truly make a difference to patients. It has been a busy and productive year for the LSP Life Sciences Fund. We maintained our focus and our strategy and continue to find exciting new investment opportunities and will maintain this focus into the rest of the year. Due to the pandemic, health and healthcare has never been more important to our lives and to the global economy – it is also part of the DNA of LSP. We are 100% focused on finding those companies which have the potential to develop ground-breaking treatments which can truly change the course of disease and change people's lives. We support and nurture companies in whatever way we can to help ensure these medicines reach patients. There has never been a more exciting time to invest in healthcare.

#### **Disclosure in respect of COVID-19 virus**

Economic expectations and prospects for capital markets were revised sharply downwards in the first quarter of 2020 due to the spread of the Covid-19 (commonly referred to as 'Corona') virus. Extensive measures have been taken worldwide to contain the virus. It is clear that these measures will have a huge impact on the economy. Central bankers and governments have announced measures to mitigate the economic impact of the Covid-19 virus. The further course of the virus will determine how long the measures will remain in effect. These developments have a major impact on society and economies. In 2021 the impact on the Fund's result were relatively limited. This mainly related to instruments that are valued at fair value (such as investments). However, this has not impacted the liquidity nor solvency of the Fund. The director follows developments closely, but it doesn't expect that Covid-19 will have a negative impact on either the Fund's operations or financial position of the Fund going forward.

The director

**LSP Advisory B.V.**

Mark Wegter

Merijn Klaassen

## KEY FIGURES

(in thousands of Euro's, except per share data)

	2021	2020	2019	2018	2017
Net Asset Value	37,852	58,254	58,502	71,477	75,028
Number of shares outstanding	170,626	201,517	252,924	333,247	319,169
Net Asset Value per share	221.84	289.07	231.30	214.48	235.07
Share price performance	-23.3%	25.0%	7.8%	-8.8%	38.80%
Net Result	-13,295	10,389	6,626	-6,848	21,646
Ongoing charges figure (OCF)	2.04%	2.22%	1.97%	1.92%	2.01%
Performance fee figure <sup>1</sup>	0.00%	5.71%	0.00%	0.00%	2.77%
Turnover Ratio	317%	239%	145%	239%	360%

1) The performance related fees expressed as a percentage of the Fund's average Net Asset Value (NAV)

# BALANCE SHEET on 31 December 2021

(in thousands of Euro's, before appropriation of the result)

	Note	31 December 2021	31 December 2020
<b>Assets</b>			
<b>Investments</b>	<b>1</b>		
Investments in securities		36,401	55,013
Investments in derivatives			3,470
		36,401	58,483
<b>Receivables</b>			
Amounts receivable		10	4
<b>Other assets</b>	<b>2</b>		
Cash accounts		1,665	2,688
<b>Total assets</b>		<b>38,076</b>	<b>61,175</b>
<b>Liabilities and shareholders' equity</b>			
<b>Shareholders' equity</b>	<b>3</b>		
Issued share capital		171	202
Share premium			
Other reserves		50,976	47,663
Unappropriated result		-13,295	10,389
		37,852	58,254
<b>Current liabilities</b>	<b>4</b>		
Creditors and accrued expenses		224	2,921
<b>Total liabilities and shareholders' equity</b>		<b>38,076</b>	<b>61,175</b>
Net Asset Value per share		221.84	289.07

# PROFIT AND LOSS ACCOUNT for the year 2021

(in thousands of Euro's)

	Note	31 December 2021	31 December 2020
<b>Income from investments</b>			
Dividends on securities		-	5
Income from lending		107	98
		107	103
<b>Realized movements in investments and other assets</b> 5			
Realized movements on securities		8,103	5,889
Currency results on cash accounts		-2,544	1,958
		5,559	7,847
<b>Unrealized movements in investments and other assets</b> 5			
Unrealized movements on securities		-14,508	3,621
Unrealized movements on derivatives		-3,061	3,061
		-17,569	6,682
<b>Expenses</b>			
Management costs	6	746	3,443
Depositary costs	7	92	132
Fund operational costs	8	174	202
Interest expenses on cash accounts		380	466
		1,392	4,243
<b>Result for the period</b>			
		-13,295	10,389

# CASH FLOW STATEMENT for the year 2021

(in thousands of Euro's)

	31 December 2021	31 December 2020
<b>Cash flows from investment activities</b>		
Net result	-13,295	10,389
Realized movements in investments and other assets	-8,103	-7,847
Unrealized movements in investments and other assets	20,113	-6,682
Purchase of investments and other assets	-75,966	-66,867
Sale of investments and other assets	88,583	79,015
Change in amounts receivable	4	41
Change in current liabilities	-2,674	685
	<u>8,662</u>	<u>8,734</u>
<b>Cash flows from financial activities</b>		
Issue of shares	4,561	10,622
Redemption of shares	-11,702	-21,259
<b>Total cash flows from financial activities</b>	<u>-7,141</u>	<u>-10,637</u>
Currency results on cash accounts	- 2,544	1,958
<b>Net increase for the period</b>	<b>-1,023</b>	<b>55</b>
Opening balance	2,688	2,633
Closing balance	<u>1,665</u>	<u>2,688</u>
	<b>-1,023</b>	<b>55</b>

## SELECTED NOTES TO THE ANNUAL REPORT

### **General**

LSP Life Sciences Fund N.V. (the Fund) is a public limited liability company with the status of an investment company with variable capital organised and established under the laws of the Netherlands on 18 April 2011. The Fund has its statutory seat in Amsterdam, the Netherlands. The Fund is an open-end investment fund listed on Euronext Amsterdam. The Fund is managed by LSP Advisory B.V. as sole managing director of the Fund.

The purpose of the Fund is to achieve capital appreciation by investing in a diversified, yet concentrated portfolio of publicly listed life sciences companies (including biopharmaceutical, specialist pharmaceutical, medical device, drug delivery, vaccine and diagnostic companies).

The Fund qualifies as a tax-exempt investment fund within the meaning of Article 6a of the Dutch Corporate Income Tax Act. Accordingly, the Fund is not subject to Dutch corporate income tax.

### **Accounting principles**

#### General

The financial year of the Fund corresponds to the calendar year. This report has been prepared in accordance with generally accepted accounting principles in the Netherlands, and in compliance with the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code as well as the Dutch Act on Financial Supervision.

The functional currency of the Fund is Euro and the financial statements are presented in thousands of Euro's except per share data.

Unless specifically specified otherwise the Fund applies the historical cost convention less any value adjustments deemed necessary. Furthermore, the accrual method of accounting has been applied which means that income and expenses are recognised in the period to which they relate rather than the period in which they have been paid or received.

#### Going concern

These financial statements have been prepared on the basis of the going concern assumption.

### Foreign currency translation

Unless otherwise stated, assets and liabilities denominated in foreign currencies are translated into the Fund's reporting currency at the exchange rates at closing date. Revenues and expenses denominated in foreign currencies are translated into Euro's at rate prevailing at the transaction date. Resulting currency exchange differences are taken into the Profit and Loss account under currency results.

The exchange rates at 31 December 2021, in Euro	
United States Dollar	0.879353
Swedish Crown	0.097125

### Asset and Liabilities

Assets and liabilities are measured at nominal value, unless otherwise measured in the further principles. An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets. A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

### Investments

#### *Securities*

Investments are recorded at their fair value. The Fund only has investments in listed securities for which fair value is determined at their closing price on the valuation date on the relevant exchanges. Transaction costs in respect of purchase and sale of investments are included in unrealized and realized movements in investments.

### Securities lending

Securities of which the legal ownership is transferred for a specific period under a securities lending transaction, continue to be recognized in the Company's balance sheet during this period, because the economic benefits and costs - in the form of investment income and changes in value - are for the account and risk of the Company.

The method of accounting of collateral received in connection with securities lending depends on its nature. If collateral is received in the form of securities, this is not recognized in the balance sheet of the Company, since the economic benefits and disadvantages associated with the collateral are for the account and risk of the counterparty. When collateral is received in the form of cash, it is recognized in the balance sheet of the Company, because in that case the economic benefits and costs are for the account and risk of the Company. In recognition of the fact that the holder of the instrument retains the right to sell back the instrument, it is classified as equity in accordance with RJ 290.808.

### Receivables and other assets

Other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses.



#### Cash and cash equivalents

Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

#### Share premium account

This reserve originates from the issue and redemption of shares over and above their nominal value.

#### Current liabilities

Current liabilities and other financial commitments are stated after their initial recognition at amortised cost on the basis of the effective interest rate method.

### Profit and Loss account

Income and expenses are accounted for in the period to which they relate.

### Realized movements in investments and other assets

Realized movements in investments and other assets consist of gains or losses on securities and derivative positions that have been sold during the reporting period.

### Unrealized movements in investments and other assets

Unrealized movements in investments and other assets consist of gains or losses on securities and derivative positions that are (still) in the portfolio at the end of the reporting period.

### Income

Dividends are recognised on an ex-dividend date basis. Dividend income is recognised net of dividend withholding tax as the fund cannot reclaim dividend tax paid from the tax authorities. If the Fund elects to receive a stock dividend in lieu of a cash dividend, an amount equal to dividends not received is included in income. When the Fund receives a stock dividend when there is no cash alternative, an amount equal to the nominal value of the shares issued is included in income to the extent that such stock dividend is regarded as revenue for Dutch tax purposes.

### Expenses

Expenses are dealt with on an accrual basis. All expenses are charged to the Profit and Loss account.

### Cash Flow statement

The Cash Flow statement is prepared by using the indirect method.

## Notes to balance sheet

### 1. Investments

31 December 2021

31 December 2020

#### Securities

Market value beginning of period	55,013	58,060
Purchases	75,966	66,458
Sales	-84,922	-79,015
Unrealized price movements	-14,508	4,625
Unrealized currency movements	-	-1,004
Realized price movements	4,434	6,749
Realized currency movements	418	-860
Market value at end of period	36,401	55,013

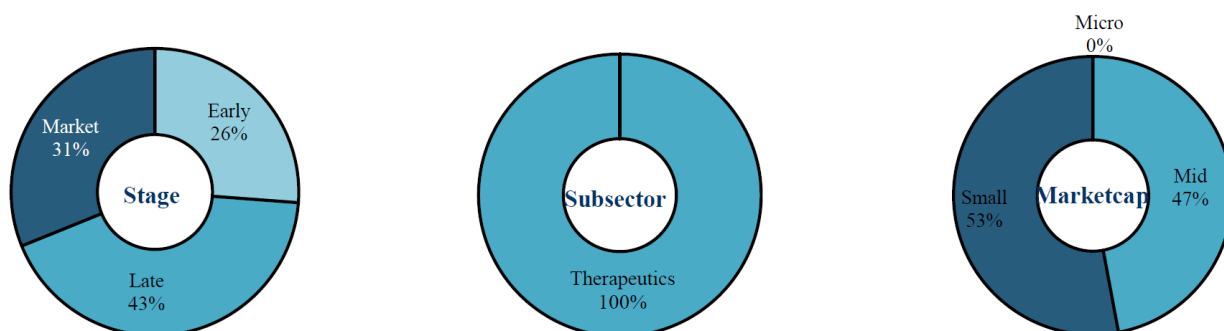
#### Derivatives

Market value beginning of period	3,470	-
Purchases	-	409
Sales	-3,660	-
Unrealized price movements	-3,061	-
Realized price movements	3,251	3,061
Market value at end of period	-	3,470

#### Securities lending

The Fund may make use of securities lending transactions for the purposes of generating additional income. The Fund is permitted to lend securities up to a maximum of 100% of its total assets. Securities lending transactions will only be carried out with CACEIS Bank Netherlands Branch as counterparty which is a reputable financial institution. At year end, the Fund has not lent out any securities (2020: Euro 7,789 thousand) and - thus – did not receive any securities as collateral (2020: Euro 7,944 thousand).

The Fund's investments are classified according to stage, subsector and market capitalization. The breakdown of the Fund's portfolio per 31 December 2021 is shown below.



Stage at year end	2021	2020
Early Stage	26%	25%
Late Stage	43%	46%
Market	31%	29%

Subsector at year end	2021	2020
Therapeutics	100%	100%
Medical Device	-	-
Specialty Pharma	-	-

Marketcap at year end	2021	2020
Microcap	-	-
Smallcap	53%	50%
Midcap	47%	50%

### Portfolio breakdown

The below table shows the portfolio breakdown of the Fund grouped per company as a percentage of the total Fund's Net Asset Value.

Company	Stage	Subsector	Marketcap	%
Calliditas Therapeutics	Late	Therapeutics	Small	17.7%
Abivax	Late	Therapeutics	Small	10.2%
Albireo Pharma	Market	Therapeutics	Small	8.5%
Arrowhead Pharmaceuticals	Early	Therapeutics	Mid	8.0%
Uniqure	Late	Therapeutics	Mid	6.4%
Allogene Therapeutics	Early	Therapeutics	Mid	5.2%
Rhythm Pharmaceuticals	Market	Therapeutics	Mid	5.1%
Intra Cellular Therapeutics	Market	Therapeutics	Mid	5.1%
Merus	Early	Therapeutics	Mid	4.4%
Amarin Corp	Market	Therapeutics	Mid	4.1%
Onward Medical	Market	Therapeutics	Small	3.6%
Achilles Therapeutics	Early	Therapeutics	Small	3.6%
Blueprint Medicines	Market	Therapeutics	Mid	3.5%
Compass Pathways	Late	Therapeutics	Mid	3.5%
Otonomy	Late	Therapeutics	Small	3.3%
AC Immune	Early	Therapeutics	Small	2.7%
TCR2 Therapeutics	Early	Therapeutics	Small	1.4%
				96.3%

## 2. Other assets

### Cash accounts

The cash at banks are held with CACEIS Bank, Netherlands Branch and are available on demand.

Cash account	at 31 December 2021			at 31 December 2020	
	in Local Currency	in Euro		in Local Currency	in Euro
Euro	1,665	1,665		2,688	2,688
<b>Total</b>		<b>1,665</b>			<b>2,688</b>

## 3. Shareholders' equity

The authorized share capital of the Fund is Euro 1,000,000 and is divided in 1,000,000 shares with a par value of Euro 1.00 each. The number of issued shares at 31 December 2021 amounts to 170,626.

	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Issued share capital</b>		
Balance at beginning of period	202	253
Issued	18	44
Redemption	-49	-95
Balance at end of the period	171	202
<b>Share premium account</b>		
Balance at beginning of period	-	9,142
Issue of shares	-	10,578
Redemption of shares	-	-19,720
Balance at end of the period	-	-
<b>Other reserves</b>		
Balance at beginning of period	47,663	42,481
Result appropriation for previous year	10,389	6,626
Issue of shares	4,553	-
Redemption of shares	-11,629	-1,444
Balance at end of the period	50,976	47,663
<b>Number of issued shares</b>		
Balance at beginning of period	201,517	252,924
Issued	18,233	44,349
Redemption	-49,124	-95,756
Balance at end of the period	170,626	201,517
<b>Unappropriated result</b>		
Balance at beginning of period	10,389	6,626
Result previous year added to other reserves	-10,389	-6,626
Result for the period	-13,295	10,389
Balance at end of the period	-13,295	10,389
Number of shares	170,626	201,517
Net Asset Value	37,852	58,254
Net Asset Value per share	221.84	289.07

#### 4. Current liabilities

31 December 2021

31 December 2020

##### Creditors and accrued expenses

Interest	-	24
Share redemptions payable to shareholders	-	23
Fund operational costs	177	76
Management fee	47	77
Performance fee	-	2,721
	<hr/> 224	<hr/> 2,921

The creditors and accrued expenses are payable within one year.

The breakdown of the fund operational costs payable in the amount of Euro 177 thousand is provided below.

Fund administration fee	34	13
Auditor's remuneration	44	41
Advisory costs	8	8
Other Costs	91	14
	<hr/> 177	<hr/> 76

## Notes to the Profit and Loss account

### 5. Realized and unrealized movements in investments and other assets

	31 December 2021	31 December 2020
<b>Realized movements on securities</b>		
Realized gains / losses on securities	4,434	6,749
Currency results on securities	418	-860
	<b>4,852</b>	<b>5,889</b>
<b>Realized movements on derivatives</b>		
Realized movements on derivatives	3,251	-
Currency results on derivatives	-	-
	<b>3,251</b>	<b>-</b>
<b>Total realized movements</b>	<b>8,103</b>	<b>5,889</b>
<b>Unrealized movements on securities</b>		
Change in unrealized gains / losses on securities	-13,520	4,625
Currency results on securities	-988	-1,004
	<b>-14,508</b>	<b>3,621</b>
<b>Unrealized movements on derivatives</b>		
Change in unrealized gains / losses on securities	-3,061	3,061
	<b>-3,061</b>	<b>3,061</b>
<b>Total unrealized movements</b>	<b>-17,569</b>	<b>6,682</b>

The realized and unrealized movements are a combination of gains as well as losses. In accordance with the generally accepted accounting principles in the Netherlands these gains and losses have to be reported separately. The below table provides this decomposition.

<b>Realized movements 31 December 2021</b>	<b>Gains</b>	<b>Losses</b>	<b>Total</b>
Securities	18,906	-14,054	4,852
Derivatives	3,251	-	3,251
	<b>22,157</b>	<b>-14,054</b>	<b>8,103</b>
<b>Unrealized movements 31 December 2021</b>	<b>Gains</b>	<b>Losses</b>	<b>Total</b>
Securities	5,249	-19,756	-14,508
Derivatives	-	-3,061	-3,061
	<b>5,249</b>	<b>-22,817</b>	<b>-17,569</b>
<b>Realized movements 31 December 2020</b>	<b>Gains</b>	<b>Losses</b>	<b>Total</b>
Securities	23,711	-17,822	5,889
<b>Unrealized movements 31 December 2020</b>	<b>Gains</b>	<b>Losses</b>	<b>Total</b>
Securities	19,163	-15,542	3,621
Derivatives	3,061	-	3,061
	<b>22,224</b>	<b>-15,542</b>	<b>6,682</b>

### Currency results on cash accounts

The Fund makes use of foreign currency cash accounts to (partially) hedge the currency exposure of its investments. During the reporting period the currency results on these cash accounts amounted to a loss of Euro 2,544 thousand (2020: gain 1,958 thousand), whilst the realized and unrealized currency result of the investments amounted to a loss of Euro 570 thousand (2020: loss 1,864 thousand). The net currency result of the Fund thus amounted to a loss of Euro 3,144 thousand (2020: gain 94 thousand).

## 6. Management costs

### Management Fee

The Fund Manager is entitled to an annual management fee due by the Fund to the Fund Manager equal to 1.5% per annum of the Net Asset Value excluding (i.e. before deduction of) the accrued management fee and performance fee. The management fee accrues on a daily basis by reference to the latest Net Asset Value and is payable by the Fund in arrears as per the last business day of each month. The management fee for the year amounts to Euro 746 thousand (2020: 722 thousand).

### Performance Fee

The Fund Manager is entitled to receive a performance fee of twenty per cent (20%) of the increase (if any) in the Net Asset Value per share accrued during the year for each share outstanding at the end of the relevant year, but only to the extent such increase exceeds the hurdle of 8%. The performance fee is furthermore subject to a perpetual high watermark which means that performance fee shall only be payable if, and to the extent that, the Net Asset Value per share at the end of a year is greater than the highest value of this variable which has been determined at the end of all of the preceding years. The performance fee is calculated and accrues on a daily basis. The performance fee, if any, is payable as per the last valuation day of each calendar year.

The initial issue price of Euro 100.00 per share, plus the 8% hurdle since inception amounted to Euro 227.67 at 31 December 2021. The high watermark is set to the Net Asset Value per share at the end of all preceding years, i.e. Euro 289.07. As the High Watermark exceeds the hurdle, the performance fee calculated with reference to this High Watermark. The Net Asset Value per share – before performance fee – as of period-end was Euro 221.84, and thus below the High Watermark. As such there is no performance fee for the period (2020: 2,721 thousand).

(in Euro per share)	31 December 2021	31 December 2020
Net Asset Value (before performance fee)	221.84	302.58
Hurdle	227.67	210.81
High Watermark	289.07	235.07
Excess performance	-	67.51
Performance fee (20% of excess performance)	-	13.50
Number of shares outstanding	170,626	201,517



## 7. Depositary costs

In connection with the Alternative Investment Fund Manager Directive (AIFMD) that came in force on 22 July 2014, the Fund has appointed CACEIS Bank, Netherlands branch as depositary. The depositary acts in the interest of the investors and is responsible for the safekeeping of the fund's assets and the oversight and supervision of the Fund and the management of the Fund by the Fund Manager. The depositary costs consist of the fees contractually due to the depositary for the provision of its services.

8. Fund operational costs	31 December 2021	31 December 2020
Fund administration fee and bank fees	38	93
Remuneration of the Supervisory Board	20	26
Auditor's remuneration	44	41
Advisory costs	37	19
Other costs	35	23
	<hr/> 174	<hr/> 202

Fund operational costs include all costs of legal, tax, regulatory, administrative, custody, auditing, reporting and similar services and advices provided to the Fund, the cost of the Fund Agent and Administrator, the costs of supervision of the Fund, all costs incurred in relation to the Fund's Supervisory Board and all costs of communications with and meetings of the investors.

### Auditor's remuneration

The following fees were charged by PricewaterhouseCoopers (PwC) Accountants N.V. to the company, its subsidiaries and other consolidated companies, as referred to in Section 2:382a (1) and (2) of the Netherlands Civil Code.

	31 December 2021		
	PwC Accountants N.V.	Other PwC network	Total PwC
Audit of the financial statements	44	-	44
Other audit engagements	-	-	-
Tax-related advisory services	-	-	-
Other non-audit services	-	-	-
	<hr/> 44	<hr/> -	<hr/> 44

	<b>31 December 2020</b>		
	KPMG Accountants N.V.	Other KPMG network	Total KPMG
Audit of the financial statements	41	-	41
Other audit engagements	-	-	-
Tax-related advisory services	-	-	-
Other non-audit services	-	-	-
	<hr/> 41	<hr/> -	<hr/> 41

#### **Comparison total expenses with expenses mentioned in the prospectus**

	Actual costs	Prospectus
Management fee	746	746
Performance fee	-	-
Depositary costs	92	} 224
Fund operational costs	174	
	<hr/> 1,012	<hr/> 970

The expenses in the Prospectus are based on an average Fund size of Euro 75 million and have been adjusted proportionally to the actual average Fund size in this comparison. In the Prospectus the depositary costs are not mentioned separately but are included in the Fund operational costs.

#### **Portfolio Turnover Ratio**

The portfolio turnover ratio refers to the measure of trading activity in the Fund's portfolio. The portfolio turnover rate is a percentage of the portfolio that is bought and sold in exchange for other stocks. The portfolio turnover ratio is calculated by taking the amount of new securities purchased and the amount of securities sold minus the amount for redemption and issue of own shares over the financial year. The result is expressed as a percentage of the average Net Asset Value (NAV). The average Net Asset Value is calculated, in accordance with the generally accepted accounting principles in the Netherlands, as the average of all calculated and published NAV's during the year. The portfolio turnover ratio for 2021 amounts to 317% (2020: 239%). As the portfolio turnover measure includes both the purchases as well as the sales of securities, it effectively corresponds to an average holding period of about 0.6 years, consistent with the Fund's investment strategy.

### Ongoing Charges Figure

The ongoing charges figure is the total amount of costs the Fund incurred in a year, expressed as a percentage of the Fund's average Net Asset Value (NAV) for the period concerned. The changes consist of a change in calculation method and a change in the cost components that should be included in the calculation. The average Net Asset Value is now calculated as the average of all calculated and published NAV's during the year, whereas for the TER this average calculation was based on five measurement points during the year. The performance related fees are excluded from the ongoing charges figure and are expressed separately as a percentage of the Fund's average Net Asset Value (NAV) for the period concerned. The resulting OCF for 2021 is 2.04% (2020: 2.22%). The resulting percentage of the performance fee for 2021 is nil (2020: 5.71%).

### Remuneration policy

The Fund itself has no employees. The management of the Fund is entrusted to the Fund Manager being LSP Advisory B.V. As such the remuneration policy is determined at the level of the Fund Manager. The Fund Manager has implemented the AIFMD regulations regarding remuneration and has established a compliant remuneration policy. The objective of this remuneration policy is to motivate and retain the investment managers and other employees. The remuneration policy of the Fund Manager is designed such that it is consistent with and promotes sound and effective risk management and does not encourage risk-taking in a manner inconsistent with the risk policy of the Fund. The remuneration policy is reviewed on annual basis and will be amended from time to time to remain compliant with applicable regulations and to abide by social norms. The remuneration consists of a fixed and a variable component. The variable remuneration is linked to the performance of the Fund as well as to the individual targets of the staff members.

### Remuneration of the Supervisory Board

The total of remuneration for the members of the Supervisory Board for the period amounts to Euro 20 thousand (2020: 26 thousand).

<b>Supervisory Board member</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Pauline Bieringa (partial year 2020)	-	12
Onno Paymans	20	14
	<hr/>	<hr/>
	20	26

## **Risk factors and risk management**

An investment in the Fund involves certain risks and uncertainties relating to the Fund's structure and investment strategy. The Fund has exposure to the following risks from financial instruments:

- Market risks
- Liquidity risk
- Counterparty risk, including settlement risk
- Operational risks, including preservation and legal and tax compliance risks

The Fund Manager applies a comprehensive process based on qualitative and quantitative risk measures to assess the risks of the Fund entailing a standard monitoring process which consists of pre-defined monitoring items and cycles. The overall exposure of the Fund is calculated by means of the Value-at-Risk (VaR) methodology. The Value-at-Risk methodology provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. During the year of 2021 no risk limits of the Fund have been exceeded nor were they likely to be exceeded.

The Fund Manager has been given a discretionary authority to manage the assets in accordance with the Fund's investment objectives. Compliance with the investment restrictions and the composition of the portfolio is monitored by the Fund Manager on a daily basis.

### ***Market Risk***

The prices of financial instruments on the financial markets in general and more specifically the prices of financial instruments in the portfolio can increase or decrease as a result of a multitude of factors like expectations of economic growth, inflation and price movements of goods and foreign currencies. In addition, the value of the portfolio can vary due to, for example, political and monetary developments. Market risks are increased as a result of limiting the geographic scope of the Fund to Europe (and in part to the United States) as well as the Fund's concentrated sector portfolio. The Fund manager distinguishes the following market risks: (i) price volatility, (ii) concentration risk, (iii) foreign currency risk and (iv) interest rate risk, which are discussed in further detail below.

#### ***(i) Price volatility***

The stock prices of companies involved in the life sciences industry have been and will likely continue to be volatile. Stock prices and their related financial instruments (e.g. warrants) could be subject to wide fluctuations in response to a variety of factors, including the following:

- General market fluctuations (including the parameters used for valuation of warrants);
- Actual or anticipated variations in companies' operating results;
- Announcements of technological innovations by competitors;
- Changes in financial estimates by securities analysts;
- Changes in the market valuations of life sciences companies;
- Legal or regulatory developments affecting companies in the life sciences industry;
- Announcement by life sciences companies or their competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments; or
- Additions or departures of key personnel.

Many life sciences companies do not or in the future might not have earnings. As a result, the trading prices of life sciences companies may decline substantially, and valuations may not be sustained. Any negative change in the public's perception of the prospects of life sciences companies, generally could depress the stock prices of a particular company regardless of its results. Other broad market and industry factors may decrease the stock price of life sciences stocks, regardless of their operating results.

Market fluctuations, as well as general political and economic conditions such as recession or interest rate or currency rate fluctuations, also may decrease the market price of life sciences stocks. Given the investment objective of the Fund and its inherent sector focus, the price volatility risk is in principle not managed by the Fund Manager.

**(ii) Concentration risk**

The Fund endeavours to create a concentrated portfolio of life sciences investments that are diversified by sub-sector (indication area or technology), geographic location, type of investment (IPOs, rights offerings, follow-on offerings, PIPEs, direct equity offerings, open market transactions, etc.), business model, area of focus, stage of development, etc. in order to achieve a high level of risk diversification. However, subject to the investment restrictions, investments may be weighted to certain indication and/or technologies and in certain geographic markets within Europe. Events that impact a specific investment, a specific sub-sector or a region may have an impact on the Fund's performance. The investment restrictions put an upper limit to the maximum allocation to a single portfolio company. Furthermore, the Fund Manager monitors the concentration levels on a daily basis and will rebalance the portfolio if so required. As at 31 December 2021 the 5 single largest holdings account for 51% of the Net Asset Value of the Fund (year-end 2020: 46%).

**(iii) Foreign currency risk**

The Fund invests in life sciences companies in various countries. The investments may be dominated in currencies other than Euro and the value of these currencies may fluctuate. Thus, investors in principle will be subject to fluctuations in currency exchange rates. These fluctuations may have a positive or a negative effect on the Net Asset Value. The Fund Manager can make use of a range of financial instruments to (partially) hedge the various currency exposures that result from the portfolio investments. During the reporting period the currency risk of the Swedish Crown and United States Dollar was largely hedged by contrary positions on the respective foreign currency cash accounts. Prior to year-end 2021, these offsetting positions were unwind. Early January 2022, the foreign currency hedge was re-established.

Net currency exposure	at 31 December 2021		at 31 December 2020	
	in Local Currency	in Euro	in Local Currency	in Euro
Swedish Crown	68,892	6,691	84,605	8,420
United States Dollar	29,048	25,544	35,602	29,098

**(iv) Interest rate risk**

The Fund has no significant exposure to interest rate risk, since all cash accounts have floating interest rates and the Fund does not hold any fixed income securities.

### ***Liquidity risk***

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities – including redemptions of shares – that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund. The Fund Manager actively monitors the maximum possible share redemptions in relation to the Fund’s cash position and the level of liquidity of securities in the portfolio and will take corrective action if so required.

### ***Counterparty risk***

The Fund can be subject to the risk of the inability or refusal of dealers, brokers, clearing and payment institutions, custodians, principals or other service providers, issuing entities or other counterparties to its transactions to duly and timely perform under such services or transactions. Any such shortcoming, failure or refusal, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses. The Fund Manager mitigates these risks by reviewing the creditworthiness and reliability of all service providers and counterparties and only enters into transactions with those parties that the Fund believes to be creditworthy and reliable. All cash balances, amounting to a net Euro 1,665 thousand as at 31 December 2021 (2020: 2,688 thousand), are held with the CACEIS Bank, Netherlands branch. Following the completion of the merger with CACEIS, the credit ratings of the Netherlands branch is now equalized with those of Credit Agricole, CACEIS’ ultimate parent. Per 27 October 2021, FitchRatings issued Long- and Short-Term Issuer Default Ratings (IDRs) to ‘A+/AA-’ and ‘F1+’, respectively for Credit Agricole.

In respect of securities lending transactions, the Fund runs the risk that CACEIS Bank, Netherlands branch as borrower of the securities cannot comply with its obligations to return the securities it borrowed from the Fund on the agreed date or furnish the requested collateral. Investors should take into account that: if CACEIS Bank, Netherlands branch fails to return the securities it borrowed from the Fund, there is a risk that the value of the collateral received may be less than the value of the securities lent to CACEIS Bank, Netherlands branch and delays in returning the securities borrowed from the Fund may have an adverse effect on the Fund’s capacity to meet its own obligations in relation to any sales transactions of such securities. Generally, securities lending transactions are entered into to enhance the Fund’s overall performance however, an event of failure or default by the borrower may adversely affect the Fund’s performance.

### ***Settlement risk***

The Fund can be subject to the risk that settlement through a payment system is unable to take place as expected because payment or delivery of the financial instruments is not on time or does not happen at all. The Fund mitigates this risk by conducting most of its settlements through a broker and ensuring that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

### ***Operational risks***

Operational risk concerns the risk that the Fund will incur financial losses due to amongst others operational errors, negligence and/or fraud. In general, the Fund manages this risk through an adequate administrative organization including segregation of duties and internal controls, which cover these risks.

***Preservation risk***

To safeguard the assets of the Fund, the Fund uses an independent custodian. Preservation risk is the risk that the assets of the Fund are lost as a result of, among other things, negligence, insolvency or fraudulent actions of the custodian. To monitor and mitigate this risk, the Fund Manager will periodically review the ISAE 3402 Type II report as received from the custodian to assess whether the relevant administrative organization and internal controls are adequate.

***Legal and tax compliance risks***

Changes in tax legislation in any of the countries in which the Fund has investments, or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Fund to its investors. In the event that the Fund no longer complies with the requirements of a tax-exempt investment fund, the Fund might be subject to Dutch corporate income tax. The Fund Manager, in consultation with its tax and legal advisors, monitors compliance with the relevant rules and regulations.

**Transactions with related parties**

The Fund Manager, LSP Advisory B.V. qualifies as a related party. In the reporting period the Fund Manager received a management fee of Euro 746 thousand (2020: 722 thousand) and a performance fee of nil in 2021 (2020: 2,721 thousand). Employees of the Fund Manager, EQT Life Sciences or its affiliates participate in the Fund against a market price.

**Soft dollar arrangements**

The Fund will not enter into arrangements with any party regarding kickback payments. Third parties may in relation to the execution of orders by them on behalf of the Fund provide products and services to the Fund manager. During the reporting period the Fund's transactions were conducted under execution-only arrangements with its brokers and the Fund manager has assessed that it received no soft dollar arrangement during 2021 (2020: none).

**Subsequent events**

Management is not aware of any events that took place after balance sheet date that could have a material effect on the financial position of the Fund.

Amsterdam, 19 April 2022

The director

**LSP Advisory B.V.**

## **OTHER INFORMATION**

### **Statutory income allocation**

According to article 22 of the Articles of Association, the Fund Manager will determine which part of the profit will be retained; the remainder of the profit will be at the disposal of the general meeting of shareholders.

### **Distributions policy**

As the investment objective of the Fund is to achieve capital appreciation, frequent and regular distribution of profits or other net proceeds by the Fund are not intended nor anticipated. All net proceeds will in principle be reinvested and the Fund Manager will exercise its right to add profits of the Fund to the Fund's reserves.



# STATEMENT OF THE DEPOSITARY

## Considering that

- CACEIS Bank, Netherlands branch (“the depositary”) is appointed to act as depositary of LSP Life Sciences Fund N.V. (“the fund”) in accordance with section 21(1) of the Alternative Investment Fund Managers Directive (2011/61/EU) (the “AIFM Directive”);
- Such appointment and the mutual rights and obligations of the fund manager and the depositary of the fund have been agreed upon in the depositary agreement dated 22 July 2014 between such parties, including the schedules to that agreement (the “depositary agreement”);
- The depositary issues this statement exclusively to the fund manager in relation to the activities of the fund manager and relates to the period 1 January 2021 up to and including 31 December 2021, (“the reporting period”).

## Responsibilities of the depositary

The depositary acts as a depositary within the meaning of the AIFM Directive and provide its services in accordance with the AIFM Directive, the EU implementing regulation, applicable Dutch laws and regulations and the policy rules issued by the European Securities and Markets Authority and the Netherlands Authority for the Financial Markets (the “regulations”). The responsibilities of the depositary have been described in the depositary agreement and include, in addition to the safekeeping, recordkeeping and ownership verification tasks (as defined in article 21(8) AIFM Directive), several monitoring and oversight tasks (as defined in article 21(7) and 21(9) AIFM Directive):

- Monitoring of the fund’s cash flows, including identification of significant and inconsistent cash flows and reconciliation of the cash flows with the fund’s administration;
- Ensuring that the sale, issue, re-purchase, redemption, cancellation and valuation of units or shares of the fund are carried out in accordance with the applicable national law and the fund documentation;
- Ensuring that in transactions involving the fund’s assets any consideration is remitted to the fund within the usual time limits;
- Ensuring that the fund’s income is applied in accordance with the applicable national law and the fund documents;
- Monitoring whether the fund is managed in compliance with the investment restrictions and leverage limits as defined in the fund documentation.

## Statement of the Depositary

The depositary has carried out such activities during the reporting period as considered necessary to fulfil its responsibilities as depositary of the fund. The depositary is of the opinion that, based on the information made available to it and the explanations provided by the fund manager, in all material respects, the fund manager has carried out its activities which are in scope of the monitoring and oversight duties of the depositary, in accordance with the regulations and the fund documentation.

## Miscellaneous

This statement does not create, and is not intended to create, any right for a person or an entity that is not a party to the depositary agreement.

Amsterdam, 19 April 2022

**CACEIS bank, Netherlands branch**