

LSP Life Sciences Fund N.V.

Report on the first half of 2022



LSP LIFE SCIENCES FUND N.V.

(no audit or limited review is performed)

Report on the first half of
2022

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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 and its ISIN Code is NL0009756394. 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 which was effectuated on 28 February 2022, 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 Nasdaq Stockholm Stock Exchange, as its ultimate parent. In connection with the acquisition, LSP has been rebranded into EQT Life Sciences.

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 June 2022, the Fund has been operational for over eleven years. During the first half year of 2022, the Net Asset Value per share of the LSP Life Sciences Fund decreased from Euro 221.84 as at 31 December 2021 to Euro 156.78 (minus 29.3%) as at 30 June 2022. The Fund recorded a loss for the period of Euro 11.0 million compared to a loss of Euro 5.5 million in the prior year period. 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 30 June 2022 the value of the portfolio amounted to Euro 30.0 million holding 20 names (year-end 2021: 36.4 million and 17 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. Furthermore, the Fund Manager annually performs a Systemic Integrity Risk Analysis (SIRA) in which the risks are evaluated against the risk appetite as embodied in its Risk Appetite Statement (RAS). The overall risk appetite of the Fund Manager is classified as 'Low' to 'Moderate', with the individual levels

of risk tolerance per category ranging from 'Low' (Reputation, Compliance & Integrity and Operational) to 'Moderate' (Strategic and Financial). A detailed description of the Fund's risk management is provided on pages 26-29 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 the first half of 2022 the Fund Manager has not exercised its voting rights.

Code of Ethics

EQT Life Sciences has a Code of Ethics which forms a basis of its Compliance Framework. This Code describes the behavioural standards EQT Life Sciences expects from its employees. All employees must sign the Code at onboarding; by signing the Code they commit to act in accordance with it. All employees sign for adherence to the Code of Ethics on an annual basis. The Code can be referenced via <https://eqtgroup.com/eqt-policies-and-statements>.

Human resources

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

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 11 SFDR)

For the purposes of article 11 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, including the internal and external provision of (financial) information. 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 first half of 2022 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 30 June 2022 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

Following the year 2021 in which we saw a turning of the market in the second half, we were expecting a better – less volatile - environment going into 2022. Unfortunately, this was not the case. Following Russia's decision to invade the Ukraine in Q1 2022, the markets became even more volatile driven by skyrocketing energy prices, inflation, higher interest rates and an overall flight away from risk. As seen many times before, in such a risk-off environment, it is the smaller cap companies – the focus of the Fund – that tend to get hit the hardest. Irrespective of the fundamental underlying value and – importantly – the huge disparity between companies, some having late stage and marketed products (being lower risk), other being still in the R&D phase (being higher risk).

The Fund's risk profile, although intrinsically high risk given biotech sector focus, does provide for a balanced risk profile. It is pointless to point to the positive return in the month of June when viewed in relation to the year's performance or its short-term outlook. Still, we have at least seen the market start to respond to positive news at the end of the first half of 2022. Unique announced the first data from its Huntington's disease program, AMT-130. Expectations were low because this is only data from the first patients in the low dose cohort but the safety and biomarker data was enough to impress and generate excitement for the next update and clinical outcome data expected 1H23. Also, genetic obesity company, Rhythm Pharmaceuticals announced several positive developments. The FDA approved IMCIVREE for the treatment of patients with Bardet-Biedl Syndrome - significantly expanding the market opportunity. Furthermore, the product was approved by EMA and launched in Germany and gained NICE approval in the UK. Dutch oncology company, Merus, presented an update on clinical development of its lead program, Zeno, for the treatment of a genetically defined cancer population - the data put the company on track to file for approval by year end.

Nevertheless, outlook for the sector – short term – is mixed at best. Geo-political tensions, interest rate rises, inflation, energy prices, all play a role in pushing the general markets into further risk-off territory. This means that the fund's holdings may not be performing well in the short term or – at the very least – show high volatility, even more than is typical. In these times, investors tend to move into large cap stocks, while the small- and mid-cap stocks are being sold. 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 and – again – in the first half of 2022, – our strategy of investing based on extensive due diligence of fundamental assets and technology has not changed. 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.

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 2022 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 material negative impact on either the Fund's operations or financial position of the Fund going forward.

Russian invasion in Ukraine

On 24 February 2022, Russia launched a military offensive against Ukraine. This led to widespread sanctions against Russia and heightened security and cyber threats. The situation in the region is changing rapidly; the Manager of the Fund is closely monitoring the situation and will take the actions it deems necessary to preserve and protect the interest of the investors of the Fund. This concerns, but is not limited to, ensuring compliance with the requirements of all international sanctions, proactive management of the assets of Fund in order to minimize risks and applying all protective measures and protocols with respect to the heighten cyber threats. Although the Fund does not hold assets in Ukraine, Russia or neighbouring countries directly, market disruptions due to current geopolitical events have a global impact and the consequences are uncertain. Any such disruptions may adversely affect the Fund's performance. The Manager of the Fund continues to monitor the developments and evaluate their implications for the Fund.

Amsterdam, 1 September 2022

The director

LSP Advisory B.V.

Mark Wegter

Merijn Klaassen

FINANCIAL STATEMENTS

BALANCE SHEET on 30 June 2022

(in thousands of Euro's, before appropriation of the result)
(no audit or limited review is performed)

	Note	30 June 2022	31 December 2021
Assets			
Investments			
	1		
Investments in securities		30,024	36,401
		30,024	36,401
Current assets			
	2		
Receivables		-	10
Cash and cash equivalents		23,579	1,665
			1,675
Total Assets		53,603	38,076
Liabilities and shareholders' equity			
Shareholders' equity			
	3		
Issued share capital		168	171
Other reserves		37,157	50,976
Unappropriated result		-11,012	-13,295
		26,313	37,852
Current liabilities			
	4		
Creditors and accrued expenses		392	224
Cash accounts		26,898	-
		27,290	224
Total Liabilities and shareholders' equity		53,603	38,076
Net Asset Value per share		156.78	221.84

PROFIT AND LOSS ACCOUNT for the period 1 January – 30 June 2022

(in thousands of Euro's)
(no audit or limited review is performed)

	Note	30 June 2022	30 June 2021
Income from investments			
Income from Lending		9	42
		<u>9</u>	<u>42</u>
Realized movements in investments and other assets			
	5		
Realized movements on securities		-924	7,100
Realized movements on derivatives			3,251
		<u>-924</u>	<u>10,351</u>
Unrealized movements in investments and other assets			
	5		
Unrealized movements on securities		-7,793	-10,944
Unrealized movements on derivatives			-3,061
Unrealized currency results on cash accounts		-1,759	-1,067
		<u>-9,552</u>	<u>-15,072</u>
Expenses			
Management costs	6	223	415
Depositary costs	7	56	74
Fund operational costs	8	97	90
Interest expenses on cash accounts		169	208
		<u>545</u>	<u>787</u>
Result for the period		<u>-11,012</u>	<u>-5,466</u>

CASH FLOW STATEMENT for the period 1 January – 30 June 2022

(in thousands of Euro's)
(no audit or limited review is performed)

	30 June 2022	30 June 2021
Cash flows from investment activities		
Net result	-11,012	-5,466
Realized movements in investments and other assets	924	-10,351
Unrealized movements in investments and other assets	9,552	15,072
Purchase of investments and other assets	-5,962	-50,480
Sale of investments and other assets	3,622	53,063
Change in amounts receivable	-	4
Change in current liabilities	168	-2,396
	-2,708	-554
Cash flows from financial activities		
Issue of shares	505	1,349
Redemption of shares	-1,022	-2,539
Total cash flows from financial activities	-517	-1,190
Currency results on cash accounts	-1,759	-1,067
Net increase for the period	-4,984	-2,811
Opening balance	1,665	2,688
Closing balance	-3,319	-123
	-4,984	-2,811

SELECTED NOTES TO THE FINANCIAL STATEMENTS

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 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 and its ISIN Code is NL0009756394. 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 and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving') as well as the Dutch Act on Financial Supervision. The accounting policies applied in this report are consistent with the fund's most recent annual financial statements, namely those for the year ended on 31 December 2021.

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

The Manager is not aware of material uncertainties that could give rise to for significant doubts about the going concern of the Fund. The Fund is subject to normal market fluctuations and risks inherent in the investment strategy. The Manager monitors the share issuance and redemption, as well as the liquidity of the investments. The liquidity of the investments is monitored. In the event of a large outflow, the manager of the Fund has the power to (temporarily) suspend redemptions as described in the prospectus. As such, there is no reason to assume that there will be

redemptions that affect continuity of the Fund. The financial statements have been prepared on the basis of the going concern assumption.

Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections.

Disclosure of estimates

In applying the principles and policies for preparing the financial statements, the directors of the Fund make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

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 30 June 2022, in Euro	
United States Dollar	0.956626
Swedish Crown	0.093343

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 initially and subsequently measured at 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. Any realized and unrealized change in value is taken into the Profit and Loss account in the respective reporting period.

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 Fund'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 Fund.

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 Fund, 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 Fund, because in that case the economic benefits and costs are for the account and risk of the Fund.

Receivables and other assets

Other receivables are initially measured at the fair value of the consideration to be received. Receivables are subsequently measured at the amortised cost price 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.

Accounting principles for determining the result

The result is the difference between the realisable value of the assets and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Financial income and expenses

Declared dividends from securities measured at historical cost are recognised as soon as the Fund has received the right to these. 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.

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge accounting is applied.

Changes in the value of financial instruments recognised at fair value are recorded in the profit and loss account.

Realized movements in investments and other assets

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

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 has been prepared using the indirect method. The cash items disclosed in the Cash Flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the Cash Flow statement. Interest paid and received, dividends received are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash, are not recognised in the Cash Flow statement

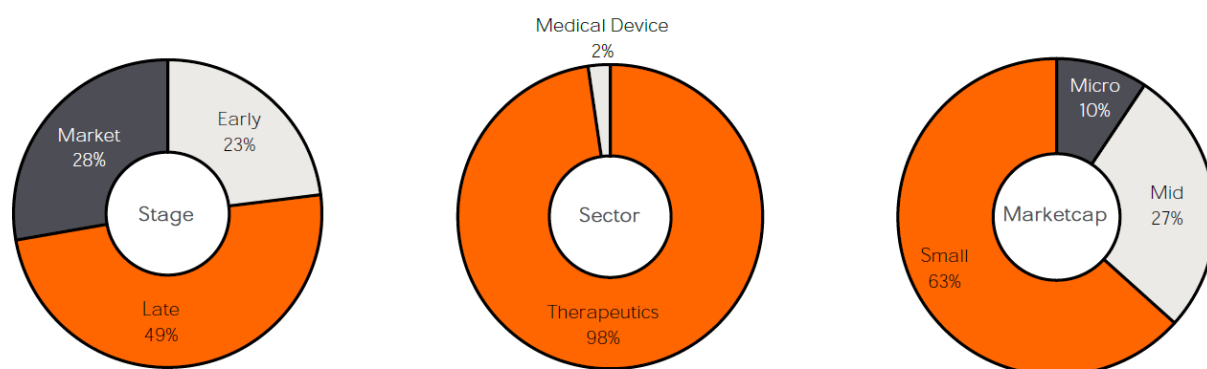
Notes to balance sheet

1. Investments	30 June 2022	31 December 2021
Securities		
Market value beginning of period	36,401	55,013
Purchases	5,962	75,966
Sales	-3,622	-84,922
Unrealized price movements	-11,059	-15,496
Unrealized currency movements	3,266	988
Realized price movements	-1,392	4,434
Realized currency movements	468	418
Market value at end of period	30,024	36,401
Derivatives		
Market value beginning of period	-	3,470
Purchases	-	-
Sales	-	-3,660
Unrealized price movements	-	-3,061
Realized price movements	-	3,251
Realized currency movements	-	-
Market value at end of period	-	-

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 30 June 2022 the Fund has not lent out any securities (31 December 2021: nil) and – thus – did not receive any securities as collateral (31 December 2021: nil).

The Fund's investments are classified according to stage, subsector and market capitalization. The breakdown of the Fund's portfolio per 30 June 2022 is shown below.



Stage at period end	2022 - 06	2021 - 12
Early Stage	23%	26%
Late Stage	49%	43%
Market	28%	31%

Subsector at period end	2022 - 06	2021 - 12
Therapeutics	98%	96%
Medical Device	2%	4%
Specialty Pharma	-	-

Marketcap at period end	2022 - 06	2021 - 12
Microcap	10%	-
Smallcap	63%	69%
Midcap	27%	31%

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	20.0%
Chinook Therapeutics	Late	Therapeutics	Small	9.6%
Uniqure	Late	Therapeutics	Small	9.0%
Intra-Cellular Therapies	Market	Therapeutics	Mid	7.4%
Albireo Pharma	Market	Therapeutics	Small	6.6%
Arrowhead Pharmaceuticals	Early	Therapeutics	Mid	6.6%
Allogene Therapeutics	Early	Therapeutics	Mid	6.2%
Cara Therapeutics	Market	Therapeutics	Small	6.1%
Evotec	Market	Therapeutics	Mid	5.7%
Abivax	Late	Therapeutics	Small	5.4%
Otonomy	Late	Therapeutics	Micro	5.2%
Merus	Early	Therapeutics	Small	4.9%
Rhythm Pharmaceuticals	Market	Therapeutics	Small	3.3%
AC Immune	Early	Therapeutics	Small	3.1%
Achilles Therapeutics	Early	Therapeutics	Micro	2.8%
TCR2 Therapeutics	Early	Therapeutics	Micro	2.7%
Compass Pathways	Late	Therapeutics	Mid	2.6%
Onward Medical	Late	Medical Device	Small	2.6%
Blueprint Medicines	Market	Therapeutics	Mid	2.6%
Bioarctic	Late	Therapeutics	Small	1.7%
				114.1%

2. Current assets

Receivables

All receivables fall due within one year.

Cash accounts

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

Cash account	at 30 June 2022		at 31 December 2021	
	in Local Currency	in Euro	in Local Currency	in Euro
Euro	23,579	23,579	1,665	1,665
Total		23,579		1,665

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 30 June 2022 amounts to 167,833.

	30 June 2022	31 December 2021
Issued share capital		
Balance at beginning of period	171	202
Issued	2	18
Redemption	-5	-49
Balance at end of the period	168	171
Other reserves		
Balance at beginning of period	50,976	47,663
Result appropriation for previous year	-13,295	10,389
Issue of shares	492	4,553
Redemption of shares	-1,016	-11,629
Balance at end of the period	37,157	50,976
Number of issued capital		
Balance at beginning of period	170,626	201,517
Issued	2,602	18,233
Redemption	-5,395	-49,124
Balance at end of the period	167,833	170,626
Net Asset Value	26,313	37,852
Net Asset Value per share (in Euro's)	156.78	221.84

Unappropriated result	30 June 2022	31 December 2021
Balance at beginning of period	-13,295	10,389
Result previous year added to other reserves	13,295	-10,389
Result for the period	-11,012	-13,295
Balance at end of the period	-11,012	-13,295

4. Current liabilities	30 June 2022	31 December 2021
Creditors and accrued expenses		
Fund operational costs	329	177
Management fee	63	47
	392	224

The creditors and accrued expenses are payable within one year.

The breakdown of the fund operational costs payable in the amount of Euro 329 thousand is provided below.

Fund administration fee	64	34
Auditor's remuneration	67	44
Advisory costs	7	8
Other costs	191	91
	329	177

Cash accounts

The cash accounts on the liability side of the balance sheet comprises of debit balances on the US Dollar and Swedish Crown currency accounts as shown in below table.

Cash account	at 30 June 2022		at 31 December 2021	
	in Local Currency	in Euro	in Local Currency	in Euro
United States Dollar	21,877	20,926	-	-
Swedish Crown	63,984	5,972	-	-
Total		26,898		-

These cash accounts are an integral part of the Fund's currency hedging as further detailed in note 5.

Notes to the Profit and Loss account

5. Realized and unrealized movements in investments and other assets

	30 June 2022	30 June 2021
Realized movements on securities		
Realized gains/losses on securities	-1,392	7,531
Currency results on securities	468	-431
	<u>-924</u>	<u>7,100</u>
Unrealized movements on securities		
Change in unrealized gains/losses on securities	-11,059	-12,217
Currency results on securities	3,266	1,273
	<u>-7,793</u>	<u>-10,944</u>
Realized movements on derivatives		
Realized gains/losses on derivatives	-	3,251
Currency results on derivatives	-	-
	<u>-</u>	<u>3,251</u>
Unrealized movements on derivatives		
Change in unrealized gains/losses on derivatives	-	-3,061
	<u>-</u>	<u>-3,061</u>

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.

Realized movements 30 June 2022			
	Gains	Losses	Total
Securities	800	-1,724	-924
Derivatives	-	-	-
	<u>800</u>	<u>-1,724</u>	<u>-924</u>
Unrealized movements 30 June 2022			
	Gains	Losses	Total
Securities	2,335	-10,128	-7,793
Derivatives	-	-	-
	<u>2,235</u>	<u>-10,128</u>	<u>-7,793</u>
Realized movements 30 June 2021			
	Gains	Losses	Total
Securities	11,141	-4,041	7,100
Derivatives	3,251	-	3,251
	<u>14,392</u>	<u>-4,041</u>	<u>10,351</u>
Unrealized movements 30 June 2021			
	Gains	Losses	Total
Securities	2,027	-12,971	-10,944
Derivatives	-	-3,061	-3,061
	<u>2,027</u>	<u>-16,032</u>	<u>-14,005</u>

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 1,759 thousand (H1-2021: loss of 1,067 thousand), whilst the realized and unrealized currency result of the investments amounted to a profit of Euro 3,734 thousand (H1-2021: profit 880 thousand). The net currency result of the Fund thus amounted to a profit of Euro 1,975 thousand (H1-2021: loss of 187 thousand).

6. Management costs

Management Fee

The Fund Manager is entitled to an annual management fee from the Fund equal to 1.5% of the Net Asset Value per annum excluding (i.e. before deduction of) the accrued management fee and the performance fee. The management fee accrues on a daily basis in 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 during the period amounts to Euro 223 thousand (H1-2021: 415 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%. Furthermore, the performance fee is 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 accrued 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 236.70 at 30 June 2022. The high watermark is set to the highest 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 is calculated with reference to this High Watermark. The Net Asset Value per share – before performance fee – as of period-end was Euro 156.78, and thus below the High Watermark. As such there is no performance fee for the period (H1-2021: nil).

(in Euro per share)	30 June 2022	30 June 2021
Net Asset Value (before performance fee)	156.78	261.69
Hurdle	236.70	219.17
High Watermark	289.07	289.07
Excess performance	0.00	0.00
Performance fee (20% of excess performance)	0.00	0.00
Number of shares outstanding	167,833	197,171

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

	30 June 2022	30 June 2021
Fund administration fee, custody and bank fees	32	39
Remuneration of the Supervisory Board	17	13
Auditor's remuneration	23	21
Advisory costs	6	-
Other costs	19	17
	97	90

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.

Comparison total expenses with expenses mentioned in the prospectus

	Actual costs	Prospectus
Management fee	223	223
Depositary costs	56	}
Fund operational costs	97	134
	376	357

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.

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 17 thousand (H1-2021: 13 thousand).

Supervisory Board member	30 June 2022	30 June 2021
Onno Paymans	10	13
Maarten Scholten	7	-
	17	13

Taxes

Given the Fund's status as an exempt investment entity ('Vrijgestelde BeleggingsInstelling' or 'VBI'), no taxes are due on the result.

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 first half year of 2022 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 the end of the period June 2022 the 5 single largest holdings account for 46% of the Net Asset Value of the Fund (year-end 2021: 51%).

(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 partially hedged by contrary positions on the respective foreign currency cash accounts.

Net currency exposure	at 30 June 2022		at 31 December 2021	
	in Local Currency	in Euro	in Local Currency	in Euro
Swedish Crown	-2,759	-258	68,892	6,691
United States Dollar	-996	-953	29,048	25,544

(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. Such corrective actions can, amongst others, consist of a rebalancing of the portfolio to more liquid investments, sell positions to increase liquidity and in extra-ordinary circumstances temporarily suspend the repurchase (redemptions) of shares of the Fund. With respect to the Fund’s liquidity profile at 30 June 2022 85% of the portfolio value could be liquidated within 1 day under normal market conditions and 73% of the portfolio value could be liquidated within 1 day in case of stressed market conditions.

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 Euro -3,319 thousand as at 30 June 2022 (year-end 2021: 1,665 thousand), are held with the CACEIS Bank, Netherlands branch. The credit ratings of the CACEIS Bank, Netherlands branch is 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 223 thousand (H1-2021: 415 thousand) and a performance fee of nil is due (H1-2021: nil). The directors did not receive any compensation from the Fund during the reporting period. As disclosed in the note above, the members of Supervisory Board received an amount of Euro 17 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 the first half of 2022 (2021: none).

Interests of the Supervisory Board and Management

The members of the Supervisory Board and Management had no interests in securities held by the Fund's portfolio as at 30 June 2022 (year end 2021: no interests).

The members of the Management and of the Supervisory Board participate in the Fund against a market price. These persons own in aggregate 13,001 shares in the Fund (2021: 13,001 shares). The lock-up period as described in the prospectus of the Fund has expired.

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, 1 September 2022

The director

LSP Advisory B.V.

OTHER INFORMATION

Unaudited interim report

No audit or limited review as defined in article 2:393 of the Dutch Civil Code has been performed on the interim report. According to Dutch law an audit or limited review is not required for interim financial 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.

Post-balance sheet events

There were no material post-balance sheet events which have a bearing on the understanding of the financial statements.

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 2022 up to and including 30 June 2022, (“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, 1 September 2022

CACEIS bank, Netherlands branch