LSP Advisory B.V.

Report on the first half of 2023

EQT Life Sciences

LSP Advisory B.V.

Financial report for the period January until June 2023

(no audit or limited review has been performed)

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Directors' report

General

LSP Advisory B.V. (the Company) was incorporated on 3 March 2008 as an asset manager focussing on investments in publicly listed life sciences companies. It currently manages the Euronext listed LSP Life Sciences Fund N.V. (the Fund), four client mandates (the Mandates) and the closed-end Private Equity Alternative Investment Funds (AIFs) of EQT Life Sciences. During the reporting period the combined Assets under Management (AuM) have increased from € 972.6 million to € 1,082.2 million, a 11.3% increase. This increase was due mainly to deployment of additional capital in the respective AIFs.

LSP Advisory B.V. has its statutory seat at Johannes Vermeerplein 9, Amsterdam, the Netherlands and is registered at the Trade Register of the Chamber of Commerce in Amsterdam under file number 34296447.

Governance

LSP Advisory B.V. was a wholly owned subsidiary of LSP Management Group B.V. 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.

LSP Advisory B.V. has been granted a license pursuant to Article 2:65 of the Dutch Act on Financial Supervision (Wft) by the Netherlands Authority for the Financial Markets (AFM) 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. Since 24 November 2015, LSP Advisory B.V. also holds a license pursuant to Article 2:67a, 2nd paragraph, sub a of the Wft for asset management (individueel vermogensbeheer) in connection with the management of the Mandates.

In July 2020 the Asset under Management of the private equity funds of LSP crossed the AIFMD-light threshold. In consultation with the AFM, it was decided to also designate the management of the private funds to LSP Advisory B.V. An application for a license expansion pursuant to Article 2:67, 1st paragraph, was submitted to AFM in August 2020 and was subsequently approved on 10 June 2021.

In view of this group restructuring, the Supervisory Board of LSP Advisory B.V. has been dissolved in 2021 and is replaced by oversight at the level of the AIFs.

Key Financial Data

In the first half year of 2023 LSP Advisory B.V. had revenues amounting to € 26.9 million compared to € 22.6 million in the same period prior year. This revenue consists of € 26.5 million management fee from the closed-end Private Equity AIFs and of € 0.4 million from LSP Life Sciences Fund and the client mandates. Operating expenses for the period amount to € 8.0 million (2022 H1: € 5.4 million) and there is no corporate income tax due (2022 H1: € nil), resulting in a net profit for the period of € 18.9 million (2022 H1: € 17.2 million). Per period end the shareholders' equity amounted € 47.7 million (2022 year-end: € 28.8 million) which is well above the solvency requirement as included in the AIFMD. Current assets minus current liabilities as of 30 June 2023 amounted to € 47.7 million (2022 year-end: € 28.8 million).

Risk management

LSP Advisory B.V. has established and maintains a permanent risk management function that implements effective risk management policies and procedures in order to identify, measure, manage and monitor on an ongoing basis all relevant risks.

The risk management function is functionally and hierarchically separated from the investment management function. The risks of LSP Advisory B.V. itself are mainly related to:

- Market risks
- Credit risk
- Operational risks, including regulatory compliance risk

LSP Advisory B.V. is exposed to market risk as the management fee is linked to the Assets under Management. In turn the AuM fluctuate with market movements. Also, the performance fee is influenced by market movements as well as investment performance. Credit risk mainly relates to the solvency and liquidity of the investment funds from which LSP Advisory B.V. receives its fees. Operational risks relate mainly to people, e.g. skill and retention of key investment personnel, IT systems and regulatory compliance risk.

Compliance with law and regulation

To accomplish the ambitions of LSP Advisory B.V. it is the responsibility of the management to execute the activities within the confines (i.e. the letter and the spirit) of applicable laws and regulations, to ensure the business is executed with integrity and is transparent to the different stakeholders. This ensures that the LSP Advisory B.V. can commit to and comply with the legitimate expectations of all stakeholders internally and externally. The compliance function supports the management of the LSP Advisory B.V. with this responsibility. In the compliance risk taxonomy, risks are divided in 4 categories:

1. Client and business partner conduct related integrity risk (Financial Economic Crime); related topics: Money Laundering, Terrorist Financing, Sanctions breaches, External fraud, Corruption (external), Bribery (external) and Customer tax integrity.
2. Product & Services conduct related integrity risk; related topics: Conduct resulting in violation of the regulations for communication & Provision of information, Duty of care, Rules for product transparency and Rules for product development/offerings.
3. Personal conduct related integrity risk (employee integrity); related topics: Individual conflicts of interest, Inappropriate conduct resulting in the violation of the Code of Ethics, Personal investments using Material Non-Public Information (MNPI) and/or personal investments which could cause (the perception of) market abuse, Internal fraud, Corruption (internal) and Bribery (internal).
4. Organizational conduct related integrity risk; relevant topics: Key functions conflicts of interest in governance and/or structure, Inappropriate Outsourcing/outsourced partner behaviour, Market abuse, Inappropriate remuneration, Conduct resulting in the violation of privacy regulations, Conduct resulting in the incomplete and/or not-timely reporting to regulatory bodies and other competent authorities, including any elements related to the licensing and registration.

The compliance function monitors compliance with laws and regulation and reports directly to management. During the first half of 2023, LSP Advisory B.V.'s risk profile showed no persistent risks at unacceptable levels.

Personnel

During the reporting period the number of employees allocated from the various EQT Partners entities to LSP Advisory B.V. increased from 32 to 35 due to the underlying growth of the business.

Investments and financing

LSP Advisory B.V. will continue to make investments in its team and infrastructure in order to further improve the trade execution capabilities, risk management and data analytics. The Company is completely financed with equity and it is expected to remain that way for the next couple of years. Aforementioned investments will be financed out of retained earnings.

Administrative organization and internal controls

LSP Advisory B.V. has documented the administrative organization and internal controls in accordance with the Dutch Act on Financial Supervision (Wft) and the Decree on Conduct of Business Supervision of Financial Undertakings (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 LSP Advisory B.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 Directors of LSP Advisory B.V. confirm to the best of their knowledge that:

- the financial statements for the period January until June 2023 have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Netherlands Civil Code and give a true and fair view of the assets, liabilities and financial position of LSP Advisory B.V. as at 30 June 2023 and of its result for the period then ended;
- the report includes a fair review of the key developments of the Company 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.

Outlook

For the remainder of the year, LSP Advisory B.V. expects to grow its Assets under Management, in line with the ambition to become a sizable player in its market. It is expected that this growth comes from a combination of investment performance as well as through subscription by new investors and/or the introduction of new investment products.

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 Company is closely monitoring the situation and will take the actions it deems necessary to preserve and protect the interest of the investors in its funds and mandates. This concerns, but is not limited to, ensuring compliance with the requirements of all international sanctions, proactive management of the assets of funds and mandates in order to minimize risks and applying all protective measures and protocols with respect to the heighten cyber threats. Although the funds and mandates it manages do 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 performance of the funds and/or the mandates. The Company continues to monitor the developments and evaluate their implications.

LSP Advisory B.V.

Amsterdam, 24 July 2023

Mark Wegter Merijn Klaassen

Financial statements

Balance sheet as at 30 June 2023

Assets	Note	30 June 2023		31 December 2022	
(in Euro)					
Current assets					
Receivables from group companies	**1**	16,572,471		9,595,653	
Other receivables	**2**	8,070,724		6,916,382	
Cash and cash equivalents	**3**	26,043,699		23,841,779	
			50,686,894		40,353,814
			50,686,894		40,353,814

Liabilities	Note	30 June 2023		31 December 2022	
(in Euro)					
Equity	**4**				
Issued capital		18,000		18,000	
Share premium		332,000		332,000	
General reserve		28,449,475		(4,898,714)	
Result for the year		18,936,628		33,348,189	
			47,736,103		28,799,475
Current liabilities					
Taxes and social security premiums	**5**	32,400		36,774	
Payables to group companies	**6**	2,806,468		11,362,837	
Other liabilities	**7**	111,923		154,728	
			2,950,791		11,554,339
			50,686,894		40,353,814

Profit and loss account for the period January until June 2023

(in Euro)		01-06/2023		01-06/2022	
Management fee	**9**	26,940,539		22,598,087	
Operating income			26,940,539		22,598,087
Staff expenses	**10**	-		141,708	
Other operating expenses	**11**	376,489		406,745	
Service fee	**12**	7,627,389		4,885,920	
Operating expenses			8,003,878		5,434,373
Operating income (loss)			18,936,661		17,163,714
Interest income		7		-	
Interest expenses		(40)		(6,864)	
Financial result			(33)		(6,864)
Income before tax			18,936,628		17,156,850
Corporate income tax	**13**		-		-
Net income (loss) for the year			18,936,628		17,156,850

Notes to the financial statements

General

LSP Advisory B.V. is a private limited liability company established under the laws of the Netherlands on 3 March 2008. LSP Advisory B.V. has its statutory seat at Johannes Vermeerplein 9, Amsterdam, the Netherlands and is registered at the Trade Register of the Chamber of Commerce in Amsterdam under file number 34296447. Its primary activities consist of managing investment funds and mandates in the healthcare sector.

Principles of accounting

Basis of preparation

The accompanying financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil code and the Generally Accepted Accounting Principles in the Netherlands. In view of the size of the Company, the exemption provided for in article 396, Title 9, Book 2 of the Netherlands Civil code (small company) has been applied.

Going concern

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

General

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

Income and expenses are allocated to the financial year to which they relate.

All amounts are in Euro (€), the Company’s functional currency, unless otherwise stated.

Using estimates and judgments

The preparation of the financial statements requires that management make judgements and use estimates and assumptions that affect the application of the accounting principles and the reported value of the assets and liabilities and the income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are continually reviewed. Revised estimates are incorporated in the period in which the estimate is revised and in future periods for which the revision has consequences.

Foreign exchange translation

Transactions denominated in foreign currency are translated into the relevant functional currency of the Company at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Translation gains and losses are taken to the profit and loss account.

Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into the functional currency at the applicable exchange rates applying on the transaction date. Non-monetary assets and liabilities in foreign currency that are stated at present value are translated into the functional currency at the applicable exchange rates at the moment the present value is determined. Translation gains and losses are taken directly to equity as part of the revaluation reserve.

Financial instruments

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: trade and other receivables, cash items and other financial liabilities.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract if its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognised in the profit and loss account.

Financial instruments embedded in contracts that are not separated from the host contract are recognised in accordance with the host contract.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition.

After initial recognition, financial instruments are valued in the manner described below.

Trade and other receivables

Loans granted and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

Non-current and current liabilities and other financial commitments

Non-current and current liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account.

Redemption payments regarding non-current liabilities that are due next year, are presented under current liabilities.

Impairment of financial assets

A financial asset that is not measured at (1) fair value with value changes reflected in the profit and loss account, or at (2) amortised cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the issuer or obligor, breach of contract such as default or delinquency in interest or principal payments, granting to the borrower a concession that the Company would not otherwise consider, indications that a debtor or issuer will enter bankruptcy or other financial restructuring, the disappearance of an active market for that financial asset because of financial difficulties or observable data indicating that there is a measurable decrease in the estimated future cash flow, including adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, and the disappearance of an active market for a security. Indicators for subjective evidence are also considered together with objective evidence of impairments, such as the disappearance of an active market because an entity’s financial instruments are no longer publicly traded, a downgrade of an entity’s credit rating or a decline in the fair value of a financial asset below its cost or amortised cost.

The entity considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and financial assets that are held to maturity) both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. The individually significant assets that are not found to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management’s judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate.

Impairment losses are recognised in the profit and loss account and reflected in an allowance account against loans and receivables or investment securities held to maturity. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed through profit or loss (up to the amount of the original amortised cost).

Offsetting financial instruments

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

Shareholders' equity

Issued financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Issued financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

The purchase of own shares is deducted from the other reserves.

Share premium

Amounts contributed by the shareholder(s) of the Company in excess of the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire shares of the Company.

Costs and capital taxes associated with the issue of shares that are not capitalized are deducted from share premium, after taken into account tax effects. If the share premium is insufficient for such deductions, the amounts are deducted from retained earnings.

Taxes

Taxes are calculated on the result, taking into account existing tax facilities.

Risk management

General

During the normal course of business, the Company uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, the Company has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Company.

Liquidity risk

The Group monitors its cash position by using successive liquidity budgets. The management ensures that the cash position is sufficient to meet the Company's financial obligations towards creditors and to stay within the limits of its loan covenants, if applicable.

In accordance with the prudential supervision, the Company ensures that it has sufficient liquid or near-liquid assets to continue its operations for at least 3 months, irrespective of its revenues.

Balance sheet as at 30 June 2023

Current Assets

1. Receivables from group companies

The receivables from group companies consist of a receivable from EQT Life Sciences Group B.V. of € 14.8 million in relation to funding provided, from LSP 7 Management B.V. of € 0.2 million for remaining management fee, from EQT Partners Netherlands B.V. of € 1.1 million as well as from EQT Partners Belgium BVBA of € 0.5 million for service fee receivable. All these receivables are due within one year.

2. Other receivables

Other receivables consist of a receivable of management fee of € 7.0 million from the closed-end Private Equity AIFs, a receivable of management fee of € 84 thousand from LSP Life Sciences Fund N.V. as well as € 0.3 million in connection with the Client Mandates and a receivable for costs paid of € 0.7 million. All these receivables are due within one year.

3. Cash and cash equivalents

Cash and cash equivalents consist of cash at banks with ING Bank in Amsterdam. All cash and cash equivalents are available on demand.

4. Equity

(in Euro)	Issued capital	Share premium	General reserve	Result for the year	Total
Balance as at 31 December 2021	18,000	332,000	1,546,699	7,024,859	8,921,558
Changes during the year					
Transfer of result to reserve			7,024,859	(7,024,859)	-
Interim dividend			(13,470,272)		(13,470,272)
Result for the year				33,348,189	33,348,189
Balance as at 31 December 2022	18,000	332,000	(4,898,714)	33,348,189	28,799,475
Changes during the year					
Transfer of result to reserve			33,348,189	(33,348,189)	-
Result for the period				18,936,628	18,936,628
Balance as at 30 June 2023	18,000	332,000	28,449,475	18,936,628	47,736,103

In the period January to June 2023 no dividend was paid. In 2022 a dividend in the amount of € 13.5 million was paid.

Issued capital

The authorised capital of the Company amounts to € 90,000, divided in 90,000 common shares, with a par value of € 1.00, of which 18,000 shares have been issued and fully paid.

Current liabilities

5. Taxes and social security premiums

Taxes and social security premiums consist of VAT payable for the second quarter of 2023 of € 32 thousand. This liability is due within one year.

6. Payables to group companies

The payables to group companies consist of a payable to LSP Bioventures Inc. of € 2.8 million and to EQT Belgium BVBA of € 21 thousand for service fee payable. All these receivables are due within one year.

7. Other liabilities

Other liabilities consist of third-party suppliers for an amount of € 8 thousand and various expenses made in the first half year of 2023, which will be paid before year end 2023 for an amount of € 0.1 million. All these liabilities are due within one year.

8. Off-balance sheet assets and liabilities

LSP Advisory B.V. is part of a fiscal unity with LSP Health Economics Fund Management B.V., LSP HEF 2 Management B.V., LSP V Management B.V., LSP 6 Management B.V., LSP 7 Management B.V., LSP Dementia Fund Management B.V. and EQT Partners Netherlands B.V. with EQT Life Sciences Group B.V. being the ultimate holding company. The income tax for the group is payable at group level and only recorded in the financial statements of the mother. LSP Advisory B.V. is however jointly and severally liable for the aggregate Corporate Tax liability of this group in case EQT Life Sciences Group B.V. does not timely or fully pays the group’s taxes.

Income Statement for the period January until June 2023

9. Management fee

LSP Advisory B.V. has concluded an investment management agreement with LSP Life Sciences Fund N.V. pursuant to which LSP Advisory B.V. is entitled to receive a management fee 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.

In addition, LSP Advisory B.V. has concluded an investment management agreement with the Client Mandates pursuant to which LSP Advisory B.V. is entitled to receive a management fee of up to 1.5% per annum of the average Net Asset Value of the respective Client Mandate.

LSP Advisory B.V. has concluded AIFM agreements with the closed-end Private Equity Alternative Investment Funds (AIFs) pursuant to which LSP Advisory B.V. is entitled to receive a management fee for a certain percentage of the committed or invested capital of the LSP funds.

The aggregate management fee for the period amounted to € 26.9 million (2022 H1: € 22.6 million).

10. Staff expenses

(in Euro)	01-06/2023	01-06/2022
Gross wages and salaries	-	115,826
Social security charges	-	10,809
Pension insurance	-	14,476
Other staff expenses	-	597
Total staff expenses	-	141,708
FTE at period end	-	-

As part of the AIFMD implementation, the Investment Managers and the Risk Manager have been seconded to LSP Advisory B.V. as of 1 July 2014. As part of this secondment agreement LSP Operations B.V. charges the fully loaded personnel expenses to LSP Advisory B.V. only until the acquisition by EQT per 28 February 2022. As such the comparative figures in the above table only include staff expenses for the period until February 2022. From March 2022 onwards, the staff expenses of the employees of EQT Life Sciences in the various legal entities and jurisdictions are cross charged to LSP Advisory B.V. on a cost-plus basis. See note 12 for more details.

LSP Advisory B.V. 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 Company 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 Funds under management.

11. Other operating expenses

(in Euro)	01-06/2023	01-06/2022
Advisory costs	237,729	250,074
Travel, meeting and representation expenses	-	149,718
Other costs	138,760	6,953
Total other operating expenses	376,489	406,745

12. Service fee

(in Euro)	01-06/2023	01-06/2022
Service fee LSP Operations B.V./ EQT Partners Netherlands B.V.	5,684,000	3,043,380
Service fee LSP Bioventures Inc.	27,389	3,924,725
Service fee EQT Belgium BVBA	727,000	385,900
Service fee EQT Partners GmbH	239,000	1,052,016
Service fee EQT Partners Inc.	512,000	-
Service fee EQT Partners Limited	438,000	-
Total service fee	7,627,389	8,405,920

From March 2022 onwards, the staff expenses of the employees of EQT Life Sciences in the various legal entities and jurisdictions are cross charged to LSP Advisory B.V. on a cost-plus basis. For the first half year of 2023 the total fee charged amounted to € 7.6 million (2022 H1: € 8.4 million).

13. Corporate income tax

LSP Advisory B.V. is part of a fiscal unity with EQT Life Sciences Group B.V., which bears the corporate income tax as being the holding company.

14. Financial instruments

General

During the normal course of business, the Company uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, the Company has instituted a policy and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Company. Given the nature of its business activities and the composition of its asset and liabilities, these exposures are typically limited. As such, the Company does not apply derivatives to control its risks.

Credit risk

Credit risk arises principally from the Company receivables and cash presented under current assets in the balance sheet. The maximum amount of credit risk that the Company incurs at with a single creditor is € 26.0 million, consisting of its bank balances held at ING Bank N.V., the Netherlands. Per 18 April 2023, FitchRatings issued Long- and Short-Term Issuer Default Ratings (IDRs) to 'AA-' and 'F1+', respectively for ING Bank N.V. with a 'Stable' outlook.

The credit risk of the Company's receivables is concentrated at 20 counterparties for a total amount of € 24.6 million. The highest receivable amounts to € 14.8 million. The exposure mainly consists of receivables from related parties (€ 16.6 million) and other receivables from the closed-end Private Equity AIFs (€ 7.7 million) which the Company manages and thus effectively controls the satisfaction of their payment obligation. As such, an amount € 0.3 million relates to receivables with that are either with non-related parties or outside of the control of the Company. The creditworthiness of receivables (in Euro million) can be specified as follows:

Counterparties		2023	2022
A.	New counterparties (relationship 6 months or less)	-	-
B.	Counterparties (relationship > 6 months), without prior credit losses	24.6	16.5
C.	Counterparties (relationship > 6 months), with complete recovery of credit losses	-	-
D.	Counterparties (relationship > 6 months), with recognition of prior credit losses	-	-
Total		24.6	16.5

During the reporting period, the Company did not record any amount in profit or loss as a result of impairments (2022: nil). Furthermore, the Company has not pledged any collateral in connection with its liabilities.

Interest rate risk and cash-flow risk

The Company incurs an interest rate risk on interest bearing assets and liabilities. As per the balance sheet date, the only interest-bearing assets are the bank balances held at ING Bank N.V.

Interest conditions vary over time, but in the current market environment no interest is received on credit balances whilst debit balances are charged at EURIBOR plus a markup. Given the credit balance per period end, in case interest rates as of 30 June 2023 would rise with 1%, leaving all other assumptions constant, interest expenses remain unchanged (2022: unchanged).

Currency risk

The prime source of income of the Company is its management fee revenue from the AIFs it manages. All these management fee agreements are Euro denominated, the functional currency of the Company, and as such these revenues are not exposed the currency risk. The Company does have exposure to currency risk for operating expenses and service fees payable that are denominated in a currency other than the Euro. The currency in which this transaction primarily is denominated is USD.

The net currency position (in Euro million) as of 30 June 2023 is presented below:

	Assets	Liabilities	Net position
USD	0.0	2.8	(2.8)
Total	0.0	2.8	(2.8)

The pre-tax result as of 30 June 2023 would be € 0.3 million higher/lower, in case the exchange rate of the Euro against USD would increase/decrease by 10 percent, leaving all other variables constant.

Liquidity risk

The Company monitors its cash position by using successive liquidity budgets. The management ensures that the cash position is sufficient to meet the Company's financial obligations towards creditors and to operate within the limits of the liquidity (and solvency) requirements as included in the AIFMD regulation. As at period end, the Company's financial obligations and rights only comprise of current assets and current liabilities, both due within one year. As such the net amount of liquidity as per 30 June 2023 equals current assets minus current liabilities and amounts to € 47.7 million. All cash and cash equivalents are available on demand.

Fair value

The fair value of the financial instruments recognised on the balance sheet, including receivables, securities, cash and cash equivalents and current liabilities, is approximately equal to their carrying amount.

15. Post-balance sheet 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 Company.

Amsterdam, 24 July 2023

As Statutory Directors

Mark Wegter Merijn Klaassen