

Pre-contractual Disclosure for the Financial Product referred to in Article 8

Product name: Fund I

Does this financial product have a sustainable investment objective?

No

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

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

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

PhotonVentures ('the Firm', 'the Manager') ensures that the following environmental and social characteristics are promoted by Fund I ('the Fund'):

- Automatic refusal of investments which conflict with the exclusion list,
- In-depth ESG due diligence assessment.
- Monitoring portfolio companies through the Principal Adverse Impact ('PAI') Indicators framework.

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

The indicators set for monitoring that each of the set characteristics are being met are the following:

- None of the 'red flag' questions are answered in the negative.

Fund I uses the Principal Adverse Impact ('PAI') framework to assess the environmental and social impacts of its portfolio companies. We use all mandatory PAIs and have selected two additional indicators to ensure due consideration of the adverse impacts our portfolio companies' operations might have on the environment and society, namely, Deforestation and Insufficient whistleblower protection.

To monitor Fund I investments' progress, the Fund adopts the following approach:

- A reduction of between one and three PAI indicators most relevant to the portfolio company.

2. Does this financial product consider principle adverse impact on sustainability?

Yes.

3. What investment strategy does this financial product follow?

Fund I makes investments focusing on Size, Industry, Sector, Geography, Investment philosophy, Risk profile, Stage, Technology.

Investments are therefore selected in the following manner: PhotonVentures invests in deeptech, hardware innovations that drive progress for our society through technology. We focus on one key enabling technology: integrated photonics. We invest in early stage (preseed, seed & series A) startups in Europe. Our main focus is the Netherlands.

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

The binding elements used in selecting investments which attain the sustainable objective the Fund aims to meet are the following:

- DD questions
- Exclusion list

Fund I employs these tools as follows:

- Red flags in our DD questions and our exclusion list are both binding.

The Fund sets the following targets for tracking its portfolio company progress against the binding elements:

- 100%

- **What is the policy to assess good governance practices of the investee companies?**

Fund I performs a series of screenings to ensure that investee companies have good governance practices in place.

This is done in the following way:

- Sound management structures is one of the topics we take into account during the DD phase of the investment.
- Positive employee relations is one of the topics we take into account during the DD phase of the investment.
- Fair remuneration of staff is one of the topics we take into account during the DD phase of the investment.
- Tax compliance is one of the topics we take into account during the DD phase of the investment.

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

The asset allocation planned for Fund I is the following:

- 100% of the Fund's capital is allocated to investments with sustainable characteristics.

This ambitious goal set by Fund I ensures that the Fund Manager employs its power as investment steward to assist its portfolio companies in addressing sustainability matters, both risks and impacts, coherently and increasingly adopting a sustainable mindset into their business strategies.

5. To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Fund I does not aim to make sustainable investments with an environmental objective and therefore does not resort to the EU Taxonomy Regulation.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

No

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

More product-specific information can be found on the website: <https://www.photonventures.vc/>