

INFORMATIVE PROSPECTUS
THE LAB VENTURES FUND II, EVCF*

October 2025

* European Venture Capital Fund

This Prospectus sets out the necessary information for the Investor to formulate a reasoned judgement regarding the proposed investment and shall be available to the Shareholders, prior to their investment, at the registered office of the Management Company of the Fund. However, the information set out herein may be modified in the future. This Prospectus, duly updated, as well as the audited annual accounts of the Fund, shall be published as provided for at law, and all of the foregoing documents shall be registered in the corresponding administrative registry of the Spanish Securities and Exchange Commission (CNMV) where they may be reviewed. In accordance with the provisions of Act 22/2014, of 12 November, the liability for the content and veracity of the Regulations and of this Prospectus corresponds exclusively to the Management Company, and the Spanish Securities and Exchange Commission (CNMV) does not verify the content of said documents.

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CHAPTER I THE FUND

1. General information

1.1 The Fund

The Fund shall be called **THE LAB VENTURES FUND II, EVCF** (European Venture Capital Fund) (hereinafter, the “**Fund**”).

The registered office of the Fund shall be the corresponding registered office of the Management Company, from time to time.

1.2 The Management Company

The management and representation of the Fund corresponds to SABANG INVESTMENTS, SGEIC, S.A., a Spanish company registered at the closed-ended collective investment scheme management companies register of the Spanish Securities and Exchange Commission (CNMV) under number 151, and with its registered office situated at Calle Limonero número 22, 28020, Madrid, Spain (hereinafter, the “**Management Company**”).

The Management Company has the necessary resources to manage the Fund, which constitutes a closed-ended fund. Notwithstanding the foregoing, the Management Company shall periodically review the organizational, human, material, and control measures established to, as the case may be, allocate additional resources as it considers necessary.

1.3 Service Providers of the Fund and the Management Company

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1.4 Mechanisms for the hedging of risks associated with the professional liability of the Management Company

To cover any potential risks associated with professional liability concerning the activities carried out, the Management Company shall formalize a professional civil liability insurance policy.

2. Legal regime and law applicable to the Fund

2.1 Legal Regime

The Fund shall be governed by the provisions of the management regulations thereof, a copy of which is attached to this prospectus as **Annex I** (hereinafter, the “**Regulations**”), by the provisions of Act 22/2014, of 12 November, on venture capital firms, other closed-ended collective investment schemes and the closed-ended collective investment scheme management companies (hereinafter, the “**LECR**”) and by the provisions of any implementing regulations thereof, whether present or future and for the marketing thereof, the Fund is also constituted as a European venture capital fund subject to the legal regime provided for under Section 39 of the LECR and in Regulation (EU) 2017/1991 of the European Parliament and of the Council, of 25 October 2017, amending Regulation (EU) No. 345/2013 on European venture capital funds and Regulation (EU) No. 346/2013 on European social entrepreneurship funds (hereinafter, the “**REuVECA**”).

2.2 Applicable law and jurisdiction

The Fund shall be governed by Spanish law. Any dispute that may arise about the performance or interpretation of the Regulations, or directly or indirectly associated thereto, between the Management Company and any Shareholder or among the Shareholders themselves, shall be submitted to the jurisdiction of the Courts and Tribunals of the capital city of Madrid.

2.3 Consequences associated with the investment in the Fund

The investor must understand that any investment in the Fund implies relevant risks and accordingly the investor must consider whether the Fund represents an adequate investment in light of the investor's profile. Prior to the formalization of the corresponding investment commitment (hereinafter, the "**Subscription Agreement**") in the Fund, investors must accept and understand the risk factors set out in **Annex II** to this prospectus.

The investment commitment in the Fund shall be binding from the moment at which the investor forwards to the Management Company a signed copy of the Subscription Agreement and the Management Company forwards to the investor a copy of the Subscription Agreement duly signed by both parties.

3. Procedure and conditions for the issue and sale of shares

The regime for the subscription of the shares, the carrying out of contributions, and the redemption of the shares, shall be governed by the provisions of Article 16 and subsequent articles of the Regulations of the Fund.

3.1 Placement period of the shares of the Fund

A maximum period of twenty-four (24) months shall be established from the date of registration of the Fund at the Registry of the CNMV (hereinafter, the "**Placement Period**") during which time the Management Company may accept additional Investment Commitments whether from new Shareholders as well as from existing Shareholders (in which case said Shareholders must be treated as Subsequent Shareholders exclusively in relation to their additional Investment Commitments, and only to the extent that, as a result of said additional Investment Commitments, they increase their respective percentages in the Total Commitments of the Fund). The board of directors of the Management Company may agree to extend the Placement Period for a maximum of forty-five (45) additional calendar days, i.e., until July 3, 2025, subject to notification and acceptance by the Shareholders. Such extension shall be non-renewable (the "**Extension Period**").

Additionally, it may be agreed that subsequent shareholders will be required to pay the Fund a percentage as a compensation premium, which, where applicable, will be determined by the board of directors of the Management Company (the "**Compensation Premium**"). The Compensation Premium shall in no case be considered part of the Investment Commitments nor shall it result in the subscription of any shares by subsequent shareholders.

The Fund aims to obtain total commitments for an amount of approximately forty (40) million Euros.

After the Placement Period has concluded, and where applicable, once the Extension Period has elapsed, the Fund shall constitute a closed-ended fund, without any issues of new shares for any third parties or any subsequent transfers of shares to any third parties (that is to say, persons or entities that before the transfer are not already Shareholders), unless provided otherwise in the Regulations of the Fund.

3.2 Regime for the subscription and payment of the shares

As at the date of the establishment of the Fund, and/or on each of the subsequent closing dates during the Placement Period, and/or, where applicable, during the Extension Period, each investor that has been admitted to the Fund and that has signed the respective Subscription Agreement, shall subscribe and pay for the shares

or the increase the subscription value thereof, in the time and form established by the Management Company in the corresponding payment request, following the commitment included in the Subscription Agreement.

Accordingly, the Shareholders undertake to affect the subscriptions and subsequent payments, per the Subscription Agreement thereof, as, and when requested by the Management Company, under the provisions of the Regulations at all times.

The Shareholders of the Fund shall mainly be professional investors by the provisions of Section 194 of the Securities Market and Investment Services Act 6/2023, of 17 March, as well as investors that, without being professional investors, comply with the conditions established in the REuVECA.

The minimum Investment Commitment in the Fund shall be that of one hundred thousand (100,000) Euros, however, the Management Company may accept, and at the absolute discretion thereof, lower Investment Commitments.

During the Placement Period, and where applicable, the Extension Period, and in accordance with the provisions of Regulation 1286/2014 of the European Parliament and of the Council, of 26 November 2014, on key information documents for packaged retail and insurance-based investment products, the Management Company shall provide the retail investors interested in investing in the Fund, the key information document or KID of the Fund.

3.3 Redemption of the shares

With the exception established in Article 17 of the Regulations for Shareholders in Default, no total or partial redemption of the shares of the Fund is established, unless otherwise determined by the Management Company in the interests of the Fund and of the Shareholders, until the winding-up and liquidation thereof, and as the case may be, the redemption shall be generally applicable to all of the Shareholders, and for the determination thereof, the Shareholders' respective percentage of the shares of the Fund shall be applied for said purposes.

Furthermore, no modification or amendment of the Regulations shall confer upon the Shareholders any right whatsoever for their separation from the Fund.

4. The shares

4.1 Basic characteristics and form of representation of the shares

The Fund constitutes an equity fund divided into a single class of shares without nominal value, which shall confer upon the holders thereof ownership rights in relation to the equity fund, in the terms provided for at law and according to contract and, in particular, as provided for in the Management Regulations.

The assumption of the Investment Commitment by each one of the Shareholders of the Fund shall imply the obligation for the Shareholders to comply with the provisions of the Regulations that govern the Fund, and in particular, the obligation to effect Contributions for the Management Fee and to subscribe and pay for the shares or increase the subscription value thereof Commitments in the terms and conditions provided for in the Regulations.

The shares are nominative, constitute marketable securities, and may be represented by way of nominative share certificates without nominal value that may represent one or several shares, and the Shareholders shall be entitled to request said certificates.

4.2 Economic rights of the shares

The shares confer upon the holders thereof ownership rights regarding the equity of the Fund. The distribution of the results of the Fund shall be carried out in accordance with the rules of priority of the distributions as provided for in Article 15.2 of the Regulations (hereinafter, the "**Rules of Priority**").

4.3 Policy for the distribution of results

The policy of the Fund is to affect Distributions to the Shareholders as soon as practicable after a divestment or the receipt of revenue for any other reason, and no later than thirty (30) business days after the Fund has received said amounts.

Notwithstanding the foregoing, the Management Company shall not be required to effect Distributions within the foregoing period in the following situations:

- a) when the amounts to be distributed to the Shareholders of the Fund are not significant in the judgment of the Management Company (for said purposes, aggregate amounts of less than five hundred thousand (500,000) Euros shall not be considered significant), in which case said amounts shall be accumulated to be distributed at the time determined by the Management Company or shall be off-set against future expenses that must be covered by the Fund including, by way of illustration however not limited to, the Management Fee (and in any event, quarterly);
- b) when the amounts pending Distribution may be recycled, in accordance with the provisions of the Regulations;
- c) when the sums represent revenue obtained from divestments (distributions of dividends or other returns by the Investee Companies) that take place before the expiry of the Placement Period, or where applicable, the Extension Period;
- d) when, in the judgment of the Management Company, the corresponding Distribution could jeopardize the financial situation of the Fund, affecting either the solvency or viability thereof or the capacity of the Fund to meet its obligations or likely or forecast contingencies.

The Distributions shall be affected by the Fund per the provisions of the Rules of Priority, and in equal proportion to the shares of each respective class.

5. Procedure and criteria for the valuation of the Fund

5.1 Net Asset Value of the Shares

The Management Company shall calculate the net asset value of the shares in accordance with the provisions of Section 31(4) of the LECR and in Circular No. 4/2015, of 28 October, of the CNMV on accounting guidelines, annual accounts, and reserved information statements of venture capital firms.

The net asset value shall be calculated: (i) after the Placement Period has concluded, or where applicable, the Extension Period; (ii) on at least a half-yearly basis; (iii) after every Distribution; and (iv) when redemptions of the shares take place.

Initially, the value of each share of the Fund shall be that of one (1) Euro.

5.2 Criteria for the determination of the results of the Fund

The results of the Fund shall be determined by basic accounting principles and the valuation guidelines established in Circular No. 4/2015, of 28 October, of the CNMV on accounting guidelines, annual accounts and, reserved information statements of venture capital firms and any provisions that replace the foregoing in the future.

5.3 Criteria for the valuation of the investments of the Fund

The value, concerning an investment, shall be that which is reasonably determined by the Management Company, at its absolute discretion, following the principles issued by Invest Europe from time to time.

6. Procedures for managing situations of conflict of interest

The Management Company shall establish and apply adequate administrative and organizational procedures to detect, prevent, manage, and control any conflicts of interest that may arise in order to prevent said situations from adversely affecting the interests of the Fund and Shareholders.

CHAPTER II INVESTMENTS STRATEGY AND POLICY

1. Investment Policy of the Fund

1.1 Description of the investment strategy and policy of the Fund

The Management Company shall conduct the management and the trading activities about the acquisition and disposal of assets, in accordance with the investment policy of the Fund set out hereinbelow.

In any event, the investments of the Fund shall be subject to the limitations set out in the REuVECA and Sections 9 to 19 of the LECR and all other applicable provisions.

Accordingly, the limits, requirements, and criteria established in the investments policy of the Fund described in this informative prospectus must be understood, in any event, without prejudice to the compliance by the Fund of the investment percentages in certain assets and other requirements and limitations established by Section 13 and subsequent sections of the LECR and other applicable regulations.

1.2 Place of the Establishment of the Fund

For all necessary effects and purposes, it shall be understood, at all times, that the registered office of the Fund is the corresponding registered office of the Management Company, from time to time.

1.3 Types of assets and investment strategy of the Fund

The Fund will invest up to €500,000 per transaction, mainly in the share capital or participatory loans of unlisted companies that have been in existence for less than two (2) years.

The Fund is established to acquire shareholdings in startups, from the incubation phase, concerning projects that constitute an internet and mobile application company, in particular software projects.

The investment policy of the Fund is particularly focused on companies with digital business models that are in the initial or intermediate phase of their development, and that operate within any of the following sectors: Proptech, Healthtech, Climate tech, and other vertical sectors that operate with different technologies such as Big Data, Blockchain, Artificial Intelligence (AI), among others.

At least ninety percent (90%) of the amounts allocated by the Fund for investments must be invested in startups that operate primarily, have their management and/or effective administration center, their registered office, and their main establishment or operations in Spain, with a view to expanding their projects mainly in Europe, Latin America, and the Middle East or in any other OECD member country with an immature startup ecosystem.

The Fund shall, at all times, comply with the REuVECA and in particular shall invest in companies considered to be “small” or “medium-sized” companies, by the definition set out in Commission Recommendation 2003/361/EC, of 6 May 2003, concerning the definition of micro, small and medium-sized enterprises (Official Journal L 124, of 20 May 2003) (hereinafter, “SMEs”) that, at the time of the initial investment of the Fund, comply with one of the following prerequisites:

- (a) that employ no more than 499 persons and that have not been listed for trading on a regulated market or a multilateral trading system;
- (b) that said SME is listed in a growing SME market.

The investments shall be carried out during the period from the Initial Closing Date until the first of the following dates (hereinafter, the “Investment Period”):

- (i) the date of the fifth anniversary of the Initial Closing Date, notwithstanding that said period may be extended during one (1) further year, with the approval of the Monitoring Committee;
- (ii) the date that is decided by the Management Company, at its absolute discretion, with the prior consent of the Monitoring Committee; or
- (iii) the date on which it is understood that the Investment Period has terminated, by the provisions of Article 12.1 of the Regulations, in relation to the situations of the Exit of Key Executives.

Except for the Complementary Investments, which may be carried out during the Investment Period or after the Investment Period has elapsed, by virtue of the provisions of the Regulations, the Management Company shall affect all of the Investments of the Fund during the Investment Period. After the Investment Period has concluded, the Management Company may only request the payment of Investment Commitments pursuant to the terms of 16.2 of the Regulations.

The divestments of the Investee Companies shall be carried out, during the life of the Fund, at the time considered most appropriate by the Management Company.

The divestment procedures and strategies shall depend upon each particular investment and may include, by way of illustration, the listing on the stock market, buy-back agreements for the shareholdings, mergers, sales to strategic purchasers or other venture capital funds, "MBO", etc.

1.4 Investment restrictions

The restrictions provided for in the LECR shall be applicable.

Specifically, the Fund will not invest, directly or indirectly, in companies whose activities are related to: (i) the sale or production of armaments, equipment or ammunition for military or police use; (ii) the development and/or execution of projects whose results limit the rights of individuals or violate human rights; (iii) the development and/or execution of projects that harm the environment or are socially inappropriate; (iv) ethically or morally controversial projects.

2. Investment techniques of the Fund

2.1 Investment in the share capital of companies

The Fund is an equity fund administered by the Management Company, the main purpose of which is the acquisition of temporary shareholdings in the share capital of non-financial and non-real estate companies that, at the time of the acquisition of the shareholding, are not listed for trading on the primary stock market or any other equivalent regulated market of the European Union or the rest of the member countries of the OECD.

2.2 Financing of the investee companies

The Fund may provide equity loans, as well as other forms of finance, in this latter case solely and exclusively (i) in favor of Investee Companies that constitute the main purpose of the Fund, under the REuVECA and the LECR; and (ii) in relation to the preparation or combination with a capital Investment.

2.3 Investment of the cash reserves of the Fund

The amounts held as cash reserves of the Fund, such as the amounts paid by the Shareholders prior to the execution of an investment, or the amounts received by the Fund as the result of a divestment, the distribution of dividends, or any other type of distribution and up until the moment of the Distribution thereof to the Shareholders, may only be invested in Short-Term Investments.

2.4 Diversification

The Fund shall not invest more than fifteen (15) percent of the Total Commitments in a single Investee Company and its Affiliates. Notwithstanding the foregoing, such limit may be increased with the prior consent of the Monitoring committee.

3. Limits to the leverage of the Fund

Without prejudice to the due compliance with the limits and legal requirements established from time to time, the Fund, to comply with its purpose, may receive money on loan, credit, or may assume debts, in the short-term and under no circumstances whatsoever for terms exceeding twelve (12) months, provided that the aggregate amount of the loan or credit operations of the Fund from time to time do not exceed the lower of the following amounts:

- (i) twenty (20) percent of the Total Commitments; or
- (ii) the Total Commitments Pending Payment.

4. Co-investment opportunities

The Management Company, at its absolute discretion, and provided that the Management Company considers that it is in harmony with the interests of the Fund, may offer co-investment opportunities to Shareholders of the Fund or third parties. The co-investment opportunities shall be assigned as considered most appropriate by the Management Company, and always in the best interests of the Fund.

5. Ancillary services

Without prejudice to any other activities that the Management Company may conduct in accordance with the provisions of the LECR, the Management Company may render advisory services to the Investee Companies per applicable laws in force from time to time. Said services shall be charged pursuant to market rates and conditions.

6. Mechanisms for the modification of the investment policy of the Fund

For the modification of the investment policy of the Fund, it shall be necessary to modify the Regulations that must be carried out at the request of the Management Company, with the approval of Shareholders that represent, at least, fifty (50) percent of the Total Commitments (hereinafter, the “**Ordinary Shareholders’ Agreement**”), in accordance with the provisions established in Article 24 of the Regulations.

Without prejudice to the powers that correspond to the CNMV following the provisions of the LECR, any modification of the Regulations must be notified by the Management Company to the CNMV, and to Shareholders after the registration thereof at the corresponding administrative registry.

7. Information disclosure to the Shareholders

Without prejudice to the general information disclosure obligations established according to the LECR, the REuVECA, and other applicable regulations, the Management Company shall make available to each Shareholder, at the Management Company’s registered office, a copy of the Regulations and this Prospectus, duly updated, together with the successive audited annual reports published about the Fund.

In addition to the aforementioned information disclosure obligations in favor of the Shareholders, the Management Company shall comply with the requirements published from time to time by Invest Europe.

In particular, the Management Company shall provide the Shareholders of the Fund with, *inter alia*, the following information:

- (a) within the period of one hundred and eighty (180) days after the end of each fiscal year, the audited annual accounts of the Fund;
- (b) within forty-five (45) days after the end of each quarter;

- (i) information regarding the Investments and divestments carried out during said period; and
- (ii) other relevant information regarding the portfolio, at the discretion of the Management Company.

8. **Separate agreements with Shareholders**

The Shareholders hereby acknowledge and expressly accept that the Management Company shall be authorized to formalize separate agreements with Shareholders in relation to the Fund.

After the Final Closing Date, the Management Company shall forward to the members of the Monitoring Committee, within thirty (30) business days after the Final Closing Date, a copy or compilation of the agreements formalized prior to said date.

9. **Asset reuse**

9.1 Limits to the reinvestment of returns and/or dividends received

For the purposes of the Regulations, the term “**recycle**” means the use of the revenue and/or dividends received from the Investee Companies, or of the amounts obtained from divestments, or any other revenue obtained from the investments of the Fund, to cover the Investments, the Management Fee, the Establishment Expenses, the Operating Expenses, as well as any other obligations assumed by the Fund in accordance with the Regulations.

Generally speaking, the Management Company may decide to reinvest the following amounts:

- (a) the amounts obtained from divestments that took place during the Investment Period or the period of fourteen (14) months after the date of the respective Investment, up to the amount of the Cost of Acquisition of said Investments;
- (b) the returns obtained from Short-Term Investments conducted to enhance the management of cash and other cash assets of the Fund; and
- (c) the revenue received by the Fund from the Investee Companies or the amounts that result from divestments, or any other revenue obtained from the Investments, up to an amount equivalent to the amounts paid by the Shareholders to cover the payment of the Management Fee or the Operating Expenses of the Fund.

The Fund may recycle by virtue of the provisions of this article, provided that the Fund does not have, at any time whatsoever, a Net Invested Capital in Investee Companies that exceeds one hundred (100) percent of the Total Commitments.

9.2 Temporary distributions

The amounts received by the Shareholders by the Distributions classified by the Management Company as Temporary Distributions shall increase, by said amount, the Commitment Pending Payment at the said moment in time and, accordingly, the Shareholders shall again be subject to the obligation to pay said amount. For clarification, the obligation to pay to the Fund an amount equivalent to a Temporary Distribution corresponds to the holder of each Share at the time at which the Management Company issues the corresponding Payment Request, irrespective of whether the holder of the Share received the Temporary Distribution or not.

In this regard, the Management Company may decide, at its absolute discretion, that a Distribution shall be classified as a Temporary Distribution, exclusively in relation to Distributions of the following amounts:

- (a) the amounts that may be recycled following the provisions of Article 15.1 hereinabove;
- (b) the amounts distributed to the Shareholders the payment of which had been requested from the Shareholders in order to carry out an investment that was finally not carried out or when the amount thereof was lower than the requested payment;
- (c) the amounts paid to the Fund by Subsequent Shareholders that, in accordance with the terms of Article 16.4 of the Regulations may be classified as Temporary Distributions;
- (d) the amounts distributed to the Shareholders by reason of a divestment in respect of which the Fund had provided guarantees, provided that a claim has been filed against the Fund by said guarantees at any time prior to the fourth anniversary of the date of said distribution, taking into account that no Shareholder shall be required to return the Distributions under the terms of this paragraph (d) for an amount exceeding twenty-five (25) percent of the Distributions received; and
- (e) the amounts distributed to the Shareholders, if the Fund was required to pay certain compensation by virtue of Article 26.2 of the Regulations, at any time before the fourth anniversary of the date of said distribution, taking into account that no Shareholder shall be required to return the Distributions pursuant to the terms of this paragraph (e) for an amount exceeding twenty-five (25) percent of the Distributions received.

If, at the expiry of the period of four (4) years provided for in paragraphs (d) and (e) hereinabove, any outstanding proceedings or claims existed in respect thereof, the Management Company shall notify the Shareholders thereof in writing, within thirty (30) business days after the Management Company has become aware of said proceedings or claims, as well as the general nature of said proceedings or claims and an estimation of the amount of the Distributions that may be required to be returned and the obligation of the Shareholder to return the Temporary Distributions, and said provisions shall be extended in relation to each of the aforementioned proceedings and claims until the final resolution thereof.

The Management Company shall inform the Shareholders of the Distributions that constitute Temporary Distributions. For said purposes, any Distribution classified by the Management Company as a Temporary Distribution must be identified in the corresponding Distribution notice.

10. **Environmental, Social, and Governance (ESG) Considerations**

In relation to Article 6.1.a of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (hereinafter "SFDR"), the investment process takes sustainability risks into account. To this end, the Management Company will use its own methodology and will take as a reference the information available published by the entities in which it invests.

Likewise, in relation to Article 6.1.b of the SFDR, the sustainability risk of investments will depend, among other factors, on the company or vehicle in which the investment is made, as well as its sector of activity or geographical location. Thus, investments with a higher sustainability risk may suffer a decline in price at the time of divestment and, therefore, negatively affect the net asset value of the Fund.

In relation to Article 7.2 of the SFDR, the Management Company intends to take into account adverse impacts on sustainability factors in its risk assessment process and

the impact on the value of investments. The Management Company will report on such risks and the impact on the Fund's investments by June 30, 2023.

The Fund is a financial product that targets sustainable investments within the meaning of Article 9 of the SFDR.

16.1 Sustainable investment objective of the Fund

The Fund is established with the objective of acquiring stakes in startups, from the incubation phase, whose project is an internet and mobile applications company, with a focus on software.

The fund will invest more than 70% in companies that carry out economic activities that contribute substantially or facilitate the achievement of the following environmental and social objectives:

- (a) Climate change mitigation
- (b) Reduce waste generation
- (c) Promote the efficient use of natural resources
- (d) Encourage the use of renewable energy
- (e) Promote circular economy models
- (f) Protect biodiversity and ecosystems
- (g) Minimize water and carbon footprints
- (h) Promote diversity, equity, and inclusion
- (i) Reduce social and economic inequalities
- (j) Foster the professional and personal development of the team
- (k) Promote innovation with social or environmental impact
- (l) Improve access to health and comprehensive well-being

The investee companies in which the Fund invests must generate a financial return and a positive impact in line with the Sustainable Development Goals (SDGs) developed by the United Nations. Specifically, the Fund's investment will be aligned with the following SDGs:

- Goal 3. Promote access to services, products, or environments that improve people's physical and mental health.
- Goal 8. Promote decent, inclusive, and well-paid jobs in safe and stimulating work environments.
- Goal 9. Develop technological solutions or business models that drive sustainable innovation and productive resilience.
- Goal 11. Contribute to the development of more livable, accessible, connected, and sustainable urban spaces.
- Goal 12. Design products and processes that minimize waste, optimize resources, and promote conscious consumption.
- Goal 13. Take urgent action to combat climate change and its impacts.
- Goal 17. Foster strategic collaborations between public, private, and social actors to scale sustainable solutions and generate collective impact.

16.2 Indicators for measuring sustainability objectives

Compliance with environmental objectives will be assessed primarily on the basis of reductions in greenhouse gas emissions, as well as progress in resource efficiency and waste reduction.

With regard to social objectives, their degree of fulfillment will be assessed primarily through job creation, as a key indicator of impact on economic and social development, complemented by metrics that reflect improvements in the well-being of the people who benefit.

16.3 The Fund's investment strategy

In addition to the defined sector criteria, the fund's investment strategy incorporates key elements such as respect for the "do no significant harm" (DNSH) principle and continuous improvement in the environmental, social, and governance (ESG) performance of investee companies, including sound good governance practices.

Do No Significant Harm principle (DNSH)

The fund will ensure the application of the DNSH principle from the pre-investment analysis stage. To this end, the main adverse impacts of each activity will be assessed in relation to sustainability factors, in accordance with the indicators and guidelines set out in Chapter II and Annex I of the Delegated Regulation (RTS).

As part of the assessment process, each company must complete a questionnaire to verify its alignment with the following international frameworks:

- the OECD Guidelines for Multinational Enterprises,
- the United Nations Guiding Principles on Business and Human Rights, and
- the principles and rights set out in the eight fundamental conventions identified in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Improvement in the ESG performance of investee companies

With the aim of driving tangible improvements in ESG factors, the following actions will be taken throughout the investment process:

- a) Early assessment of ESG aspects during the pre-seed phase.
- b) Inclusion of the conclusions of the analysis in the Investment Memorandum, to support the decision-making process.
- c) Integration of the key commitments of the ESG action plan and reporting obligations into the contractual documentation of the transaction.
- d) Monitoring compliance with the action plan through regular dialogue with management teams.
- e) Annual application of an ESG questionnaire to each investee, together with the calculation of relevant indicators to measure progress in sustainability.

This approach is applied continuously throughout the investment cycle. The ESG assessment is based on a materiality analysis tailored to the sector, using best practices and tools aligned with the principles of UN PRI and Invest Europe. The conclusions of this assessment are incorporated into the Investment Memorandum together with a specific action plan, if applicable.

If the investment is approved, the prioritized actions are included in the binding legal documents (such as the Shareholders' Agreement, Term Sheet, or purchase agreement), including key indicators for monitoring. The investment team actively

monitors the plan, requesting an annual report from the managers, which is evaluated by the manager's ESG Committee.

Good governance practices

The ESG analysis includes an in-depth review of the governance mechanisms of the investee companies. The assessment questionnaire covers essential aspects such as:

- The existence and composition of the Board of Directors, in line with the startup's stage of development
- Director compensation policies
- The existence of compliance systems, including criminal compliance, as a key measure to ensure corporate integrity
- The existence and robustness of cybersecurity and data protection policies, which are particularly relevant given the technological nature of the investments

Action plans may require the progressive adoption of formal policies in these areas, with a particular focus on the implementation of robust data protection and corporate crime prevention frameworks.

16.4 Planned asset allocation

The Fund has established a minimum commitment to make 70% of its investments sustainable.

The Fund's aim is for all its investments to be sustainable, but there may be occasions when, due to the particular characteristics of the transaction, it is not possible to apply the strategy in its entirety. In such situations, the Fund is committed to making continuous efforts to generate, at least, tangible improvements in the most relevant ESG aspects of the investee company.

16.5 How are the main adverse impacts on sustainability assessed?

The Fund considers the main material or potentially material adverse impacts of the Fund's investments on sustainability factors. These are identified during the validation phase and their evolution is measured through the annual calculation of indicators included in Annex I of the Delegated Regulation (RTS). Through the measurement and management of the indicators, the potential negative impact will be less than the positive impact generated.

Information on the main adverse impacts on sustainability factors will be included in the periodic information provided to investors.

16.6 Has a specific index been designated as a benchmark to meet the sustainable investment objective?

Given that the Fund's investments will be made in unlisted entities, no specific index has been designated as a benchmark to meet the sustainable investment objective.

16.7 Specific information online

More specific information about the product can be found on the website: <https://www.thelabventures.com/>

16.8 Does the financial product aim to reduce carbon emissions?

Among its objectives, the Fund hopes to reduce greenhouse gas emissions.

Annex II of this Prospectus includes further information relating to this section.

CHAPTER III FEES, CHARGES AND EXPENSES OF THE FUND

1. Remuneration of the Management Company

1.1 Management Fee

The Management Company shall receive from the Fund, by way of consideration for the management and representation services provided thereby, a Management Fee that, without prejudice to the reductions and adjustments thereof as provided for in the Regulations, shall be calculated as follows:

- (a) during the Investment Period: an annual fee equivalent to two percent (2%) per annum of the Total Commitments;
- (b) subsequently, after the expiry of the Investment Period: two percent (2%) of the Net Invested Capital.

The Management Fee shall be calculated and shall accrue on a half-yearly basis and shall be payable each half-year period, in advance.

The Management Fee for each year as a result of the foregoing calculations shall be reduced (however never below zero) by an aggregate amount equivalent to one hundred percent (100%) of the Revenue from Investments accrued during the current year and/or in previous years that have not been offset.

In accordance with the provisions of the current Value Added Tax Act 37/1992, of 28 December, the Management Fee received by the Management Company is exempt from Value Added Tax (hereinafter, "VAT").

1.2 Variable Management Fee

In addition to the Management Fee, the Management Company shall also receive from the Fund, by way of consideration for the management services thereof, the Variable Management Fee that shall be paid following the provisions of Article 15 of the Regulations.

In accordance with the provisions of the current Value Added Tax Act 37/1992, of 28 December, the Variable Management Fee received by the Management Company is exempt from VAT.

1.3 Other remuneration

With the exception of the Management Fee and the Variable Management Fee, the Management Company shall not receive from the Fund any other remuneration whatsoever.

2. Distribution of expenses

2.1 Establishment Expenses

The Fund shall assume as Establishment Expenses all of the expenses as a result of the establishment of the Fund, including, *inter alia*, the legal expenses (fees of lawyers, notary expenses and registry charges), preparation of the documentation, as well as communication, advertising, accounting, document printing, travel and courier expenses as well as other expenses (however expressly excluding the fees of placement agents, brokers or intermediaries, if applicable, that shall be covered by the Management Company).

In any event, the Fund shall assume the Establishment Expenses up to a maximum amount of two hundred thousand Euros (€200,000). The Establishment Expenses that exceed said maximum amount shall be, as the case may be, assumed and paid for by the Management Company.

2.2 Operating Expenses

The Fund must cover all of the expenses (including applicable VAT) incurred in relation to the organization and administration of the Fund, including, by way of illustration however not limited to, Costs for Failed Operations, expenses for the preparation and distribution of reports and notifications, expenses for legal advisory or consultancy services, audits, valuations, accounting procedures (including expenses related to the preparation of the financial statements and tax returns), expenses of investment vehicles, registry expenses, fees of depositaries, expenses incurred by the Monitoring Committee and the organization of the meeting of Shareholders, the professional fees of external consultants, bank fees, fees or interest for loans, the costs of professional civil liability insurance, extraordinary expenses (such as expenses that result from legal proceedings and disputes), tax obligations, and the costs of lawyers, auditors, external consultants in relation to the identification, valuation, trading, acquisition, holding, monitoring, safeguarding and liquidation of the Investments.

2.3 Other Extraordinary Expenses

The Management Company must cover its operating expenses (such as the lease of offices or staff costs), the tax expenses thereof, as well as all other expenses that, by the provisions of the Regulations, do not correspond to the Fund. The Fund shall reimburse the Management Company for all expenses paid thereby that, pursuant to the Regulations, correspond to the Fund (excluding, for clarification, the expenses that the Management Company has passed on to and recovered from the Investee Companies or other entities in relation to transactions of the Fund). Furthermore, the Management Company must assume all of the expenses and costs concerning the services that the Management Company is legally required or, by virtue of the Regulations is otherwise required to provide to the Fund and that have finally been fully or partially delegated or subcontracted with a third party.

ANNEX I
MANAGEMENT REGULATIONS OF THE FUND
(Please see next page)