

Pre-contractual disclosures to be disclosed pursuant to Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

LEGAL DISCLAIMER

This document is provided for informational purposes only. It is based on the template pre-contractual disclosure for financial products referred to in Article 8(1) of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 provided under the ESMA's Final Report on draft Regulatory Technical Standards dated October 22, 2021, and is therefore prepared on the basis of such available information which may be different and/or incomplete with respect to the final Regulatory Technical Standards.

The Management Company reserves the right to amend, add, remove, adapt or otherwise modify this document at any time without prior notice, if the Management Company determines, in its sole discretion, that the proposed modifications are appropriate and necessary. The Management Company is only bound by the terms and conditions of K-Fund II (the "**Fund**") by-laws and the side letters that are entered into from time to time with the Fund's investors. This document cannot be relied upon for making an investment decision in the Fund.

Product name: K-Fund II

Legal entity identifier: Korelya Capital

Environmental and/or social characteristics

1.	Does this financial product have a sustainable investment objective?	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective:___%</p> <ul style="list-style-type: none"><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective:___%</p> <p style="text-align: center;"><u>OR</u></p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> 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</p> <ul style="list-style-type: none"><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
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		<input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments
2.	<p>What environmental and/or social characteristics are promoted by this financial product?</p>	<p>The Fund invests in portfolio companies from various sectors and promotes three (3) social and environmental characteristics across the Fund, for all portfolio companies. The following characteristics will be promoted for each portfolio company during the pre-investment, holding and exit periods:</p> <p>Environmental characteristic:</p> <ul style="list-style-type: none"> • Characteristic n°1 – Climate action: Mitigating climate change by assisting our portfolio companies in identifying their associated risks and opportunities <p>Social characteristics:</p> <ul style="list-style-type: none"> • Characteristic n°2 – Gender equality and inclusion: Promoting equal opportunities and treatments between genders • Characteristic n°3 – Good governance practices and value creation sharing: Participating in the implementation of good governance practices within portfolio companies and involving employees in value creation.
3.	<p>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</p>	<p>The Fund has defined social and environmental indicators to monitor the performance of its portfolio companies with respect to the promoted characteristics above. These indicators may be revised and enhanced annually to comply with stakeholders' and regulatory requirements, or if new sustainability stakes arise. The Fund has selected the following indicators:</p> <ol style="list-style-type: none"> 1. Promoted characteristic n°1 – Climate action.

		<p>Description: Mitigating climate change by assisting our portfolio companies identify their associated risks and opportunities</p> <ul style="list-style-type: none"> • Formalization of an assessment of the company’s vulnerability to climate change (including extreme climate events, global warming, sea level rise, etc.) (Yes/No) Physical risks correspond to extreme weather events (flooding, drought, storm...). Transition risks correspond to regulatory changes, new market trends, technological issues, and reputational challenges. • Carbon emissions (tons of CO2 equivalent in scopes 1, 2 and 3) The GHG Protocol Corporate Standard classifies a company’s GHG emissions into three ‘scopes’. Scope 1 emissions are direct emissions from owned or controlled sources (e.g. Gas, fuel, refrigerant gas leakages, biomass, etc.). Scope 2 emissions are indirect emissions from the generation of purchased energy (e.g. electricity, steam, hot and cold). Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions (for instance raw materials, freight, equipment, commuting, business travels). (Source: GHG Protocol) • Biodiversity footprint assessment (Yes/No) A biodiversity footprint assessment consists in identifying and measuring the impacts on biodiversity of the company’s activity and formalizing it. <p>2. Promoted characteristic n°2 – Gender equality and inclusion</p> <p>Description: Promoting equal opportunities and treatments between genders</p> <ul style="list-style-type: none"> • Share of women among the 10 highest-paid profiles of company (%) • Share of women members within the Supervisory board / Board of directors (%)
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		<p>Members of the Board of Directors or Supervisory Board are the persons making up the Board of Directors or Supervisory Board (according to the company's situation) at 31/12 of the past year (or as of the date of the company's last closing if it is not aligned with the calendar year). Observers are excluded.</p> <p>An observer is a physical or legal person who attends the meetings of the Board of Directors with the various stakeholders. His/her main role is to ensure the proper application of the articles of association and the decisions taken by the general meeting. Unlike the member of the board of directors, the observer does not have voting rights and only has an advisory role. The appointment to the position of observer can be provided for in the articles of association or be the result of a decision of the general meeting of shareholders. An observer is then elected for a fixed term (with the possibility of cumulation). In some cases, the members of the Board of Directors themselves directly appoint their censor(s).</p> <p>Formula: $100 * \frac{\text{Women members within the Supervisory Board/Board of Directors}}{\text{Total members within the Supervisory Board/Board of Directors}}$</p> <ul style="list-style-type: none"> • Share of women within managers (%) A manager is an employee who is responsible of at least one other employee. Formula: $100 * \frac{\text{Women managers}}{\text{Total managers}}$ <p>3. Promoted characteristic n°3: Good governance practices and value creation sharing Description: Participating in the implementation of good governance practices within portfolio companies and involving employees in value creation.</p> <ul style="list-style-type: none"> • Share of independent members within the Supervisory board / Board of directors (%)
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		<p>A member of the Board of Directors is independent when he or she has no relationship of any kind whatsoever with the company, its group or its management that could compromise the exercise of his or her freedom of judgment. Thus, an independent member is defined as any non-executive corporate officer of the company or its group who has no special interest (significant shareholder, employee, other) in the company or its group. (Source AFEP-MEDEF).</p> <p>Formula: $100 * \frac{\text{Independent members within the Supervisory Board/Board of Directors}}{\text{Total members within the Supervisory Board/Board of Directors}}$</p> <ul style="list-style-type: none"> • Separation of functions of CEO and Chairman of the Board of Directors (Yes/No) • Implementation of a created profit-sharing mechanism beyond legal requirements (Yes/No) <p>Profit sharing mechanisms include incentive plan, a profit-sharing scheme and/or other value creation sharing mechanisms that go beyond legal requirements (e.g., excludes mechanisms provided by national regulations, branch agreements and other legal requirements).</p>
4.	What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?	N/A
5.	How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?	N/A

	<ul style="list-style-type: none"> - How have the indicators for adverse impacts on sustainability factors been taken into account? - How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details to be provided. 	
6.	<p>Does this financial product consider principal adverse impacts on sustainability factors?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>The Fund takes into account the Principal Adverse Impacts (PAIs) of investments on sustainability factors.</p> <p>To do so, the Fund has implemented the following processes and policies designed to identify and improve consideration of Principal Adverse Impacts (PAIs):</p> <ul style="list-style-type: none"> • Application of an exclusion list for companies that are: <ul style="list-style-type: none"> ○ are active in the production, trade and/or distribution of weapons, munitions cluster bombs and/or anti-personnel mines, ○ are active in the production, trade and/or distribution of tobacco products ○ are active in the production of pornography, the activity of prostitution or procuring of prostitutes,

		<ul style="list-style-type: none">○ generate any revenues from coal-based activities, including, but not limited to, coal extraction and/or coal power generation and/or electricity via a coal powered plant and/or coal mining,○ are directly or indirectly engaged in activities resulting a severe and/or systematic breaches of conventions, norms or protocols to which France is a signatory and which are internationally recognized,○ are associated with material corruption,○ are domiciled in countries subject to trade embargoes imposed by the United Nations or the European Union,○ are deliberately and repeatedly violates the law laid down by the national / governmental authorities in the markets in which such company or corporation operates. <ul style="list-style-type: none">• Assessment of ESG criteria, including Principal Adverse Impacts on sustainability factors, during the pre-investment phase, using an ESG pre-investment analysis grid. The outcomes of this assessment are presented in a dedicated ESG section of the investment memorandum, and are discussed at the investment committee. If significant Principal Adverse Impacts are identified, mitigating actions are integrated in the ESG roadmap and objectives.• Monitoring of portfolio companies' Principal Adverse Impacts on sustainability factors through the annual reporting and monitoring of Fund tracking indicators to assess the impact of investments on sustainability factors. <p>The Principal Adverse Impacts (PAIs) indicators measured annually by the Fund are as follows, although the Fund's annual ESG reporting is not limited to this list:</p> <ul style="list-style-type: none">• GHG emissions
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7.	<p>What investment strategy does this financial product follow?</p>	<p>As set out in Article 5.1 of the by-laws, the Fund aims to invest in direct or indirect (through a holding company and not a Venture Fund) investments (either as a co-investor or not) in companies that are not listed on a Market.</p> <p>The Fund will have a European focus, principally making investments, directly and/or through venture funds, in companies located in France and in other European countries.</p>

		<p>The Fund will invest, directly or indirectly, a minimum of thirty (30%) percent of its total commitments in portfolio companies having their principal place of business based in France, with the understanding that the registered office of such portfolio companies may or may not be located in France.</p> <p>The Fund will principally target the following technology/digital sectors:</p> <ul style="list-style-type: none"> • the core internet business areas including search, social networking, e-commerce, etc., • the digital data areas including digital map, cloud service/technology, data centers, etc., • future digital technologies including smart vehicles, smart homes, smart devices, etc., and • mobile-optimized content areas. <p>The Fund will mainly focus on scale-ups and therefore will seek to make Investments of ten to thirty million euros approximately in portfolio companies which are at a growth or late venture development stage.</p> <p>The Fund will invest in portfolio companies principally in equity or quasi-equity and not in debt or other non-equity/non-quasi-equity financial instruments (except for shareholders' loans granted to portfolio companies).</p>
8.	<p>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?</p>	<p>The Fund's exclusion list limits the investment sectors and excludes the following activities as specified in the Fund's legal Partnership Agreement (see the list in section "Does this financial product consider principal adverse impacts on sustainability factors?")</p>

9.	What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?	N/A
10.	What is the policy to assess good governance practices of the investee companies?	<p>The Fund assesses the portfolio companies' good governance practices throughout the different procedures:</p> <ul style="list-style-type: none"> • Pre-investment, the good governance practices will be analysed through the pre-investment analysis grid, • During the detention period, they will be promoted by the Fund and monitored annually through the ESG questionnaire. This ESG reporting includes the following indicators: <ul style="list-style-type: none"> ○ Non-executive body <ul style="list-style-type: none"> - Share of women members in the Supervisory Board / Board of directors - Share of independent members in the Supervisory Board / Board of directors ○ Executive body <ul style="list-style-type: none"> - Share of women members in executive committee - Female CEO - Separation of the functions of CEO and Chairman of the Board of Directors ○ Governance and business ethics <ul style="list-style-type: none"> - Status of benefit corporation - Assessment by an external third party - Compensation of the Executive Officer(s) conditioned on the achievement of sustainability performance targets - Formalisation of an ethics policy - Formalisation of a code of conduct

11.	<p>What is the asset allocation planned for this financial product?</p>	<p>The Management Company anticipate that 90% of the investments performed by the Fund will meet the environmental and/or social characteristics promoted.</p> <p>Conversely, approximately 10% of the investments performed by the Fund may not meet the environmental and/or social characteristics promoted, and will not aim to be sustainable investments. These assets correspond to investments where the Fund is a minority investor and/or its representatives have no voting rights at the Board of Directors. Additionally, part of the asset allocation is for specific purposes such as risk hedging or liquidity.</p> <p>#1 Aligned with E/S characteristics includes investments in the financial product that are used to achieve the environmental or social characteristics promoted by the financial product. #1B Other E/S characteristics includes investments in the financial product used to achieve the environmental or social characteristics promoted by the financial product that do not have a sustainable investment objective.</p>
12.	<p>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</p>	N/A
13.	<p>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</p>	N/A
14.	<p>What is the minimum share of investments in transitional and enabling activities?</p>	N/A
15.	<p>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</p>	N/A
16.	<p>What is the minimum share of socially sustainable investments?</p>	N/A

<p>17.</p>	<p>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</p>	<p>Investments included under #2 Other are portfolio companies where the Fund is a minority investor and/or its representatives have no voting rights at the Board of Directors. Minimum safeguards will include:</p> <ul style="list-style-type: none"> • The exclusion list that prevents K-Fund II from investing in companies that: <ul style="list-style-type: none"> ○ Are active in the production, trade and/or distribution of weapons, munitions cluster bombs and/or anti-personnel mines, ○ Are active in the production, trade and/or distribution of tobacco products ○ Are active in the production of pornography, the activity of prostitution or procuring of prostitutes, ○ generates any revenues from coal-based activities, including, but not limited to, coal extraction and/or coal power generation and/or electricity via a coal powered plant and/or coal mining, ○ are directly or indirectly engaged in activities resulting a severe and/or systematic breaches of conventions, norms or protocols to which France is a signatory and which are internationally recognized, ○ are associated with material corruption, ○ are domiciled in countries subject to trade embargoes imposed by the United Nations or the European Union, ○ are deliberately and repeatedly violates the law laid down by the national / governmental authorities in the markets in which such company or corporation operates. • Pre-investment ESG analysis grid, that apply to all investment opportunities and contribute to analysing ESG risks and building ESG objectives and a roadmap • The annual ESG reporting questionnaire to assess the companies’ maturity on ESG stakes. <p>Other investments included under #2 Other are for specific purposes such as risk hedging or liquidity. General minimum standards will be applied by Korelya Capital for the selection of relevant third parties.</p>
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18.	Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?	N/A
19.	How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?	N/A
20.	How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?	N/A
21.	How does the designated index differ from a relevant broad market index?	N/A
22.	Where can the methodology used for the calculation of the designated index be found?	N/A
23.	Where can I find more product specific information online?	<p>More product-specific information can be found on the website: https://www.korelyacapital.com/esg/.</p> <p>Please also refer to this document regarding Article 10 disclosure for further information on product-specific information: https://www.korelyacapital.com/esg/.</p> <p>However, some information (pre-contractual documentation, contractual documentation, annual reporting) is tailored to professional investors and is not disclosed on the website. These documents can be made available on request.</p>