Innovation Industries

RESPONSIBLE INVESTMENT REPORT

2024

Contents

Message from the Partners

We are pleased to present Innovation Industries' Responsible Investment Report for 2024. This year, we expanded our portfolio of companies that formally contribute to our sustainable investment objectives. In parallel, we refined several aspects of our ESG and impact approach. Strengthening and defining our internal culture was also a strategic priority.

Overall, our portfolio is performing well. We are proud of both our team and our portfolio companies for the way they continue to face the challenges of venture building — with discipline, care, long-term vision, and confidence.

We also continued our active and tailored engagement on ESG and impact. The focus, format, and intensity of our engagement always reflect each company's unique characteristics and circumstances. This report does not capture the full detail of those engagements. Instead, we focus on the broader portfolio picture to support readability, standardization, and analysis at portfolio level.

Attentive readers may have noticed that our reporting has evolved over time. When we first introduced ESG reporting in 2019, the format centred around individual case studies. Since then, the report has gradually transitioned to a more high-level, portfolio-wide perspective. At the same time, our approach remains as detailed and fit-for-purpose as ever. A key objective of this annual report is to keep you informed about how our approach continues to develop. Following several years of policy development and refinement, our focus this year is on implementation and continuous improvement. Accordingly, this report centres on performance updates, presented in a clear and accessible format to offer a pleasant and insightful reading experience.

As part of this year's update, we highlight two of our portfolio companies — Nearfield Instruments and LionVolt — in which we made follow-on investments from our third fund in 2024. We conducted a baseline impact assessment for each, as presented in the section 'Our funds'. While these companies have not suddenly evolved into high-impact businesses, the renewed investments challenge both us and the companies to more clearly articulate their sustainable objectives and to integrate purpose-driven thinking into various aspects of their business. To support this process, we apply our Impact Maturity Grid. The outcomes of our initial assessment of each company's impact management capacity are presented in the section 'Our portfolio'.

Importantly, we also invested in our team and organization this year, including through a dedicated culture session. During an off-site, every team member was invited to openly share their personal experiences and perspectives on working at Innovation Industries. The format was intentionally open to encourage honest reflection and dialogue. The session aimed to bring the concept of culture to life, inspire the team, and foster meaningful conversations about who we are and who we aspire to be. As hoped, it rekindled a sense of enthusiasm for our unique team dynamic, our collective strengths, and our shared ambitions. A follow-up session took place in early 2025, and we look forward to sharing more about it in next year's report.

We hope you enjoy reading this report and welcome any thoughts or dialogue it may inspire.


Chris Sonnenberg


Harm de Vries


Nard Sintenie


Caaj Greebe


Tom van Vuren


Daniel Kirchleitner

Introduction

2024 at a glance

2
New high-impact investments from the Early Stars Fund

2
Existing high-impact companies receiving follow-on investment from Innovation Industries Fund III

4
Meetings with our Impact Committee

11
Total of high-impact investments funded through Innovation Industries Fund III and Early Stars Fund

29
Engagement meetings with companies

236
Net new hires throughout portfolio

10/21
Female team members

78%
Of portfolio reported on ESG metrics

100%
Average company progress in line with impact objective at year 1 annual impact review

About this report

This is Innovation Industries' Responsible Investment report 2024. Overall, the report covers three dimensions of responsible investing, as portrayed in figure 1.

Figure 1. Dimensions of responsible investing and associated report content

FUND MANAGER

Our operations as fund manager: We have made our core values explicit and are embedding impact and ESG in our governance structure, culture and procedures.

DISCLOSED IN THIS REPORT: Quantitative data report, with data, amongst others, on the size and composition of our team

OUR FUNDS

Investment selection and decision-making: We fund deep-tech companies to help them develop and scale technologies with positive impact potential.

DISCLOSED IN THIS REPORT: Quantitative data report, with data on metric providing insight into the magnitude of direct impact through our investments (aggregate fund level) / Breakdown of investments per stage, sector and investment theme / Investments during the reporting period

OUR PORTFOLIO

Our role as active shareholder: We communicate and leverage our Impact & ESG frameworks to guide the companies in our portfolio. We actively share knowledge and experience to help companies realize their full potential.

DISCLOSED IN THIS REPORT: Assessment of ESG management capacity across portfolio / ESG issue-based narrative report / ***Fund III companies:*** Assessment of impact management capacity across portfolio / Annual impact reviews / Status on impact KPIs

Developments in our approach

In 2024, we took several measures to improve our approach to the management of ESG-related impacts, risks and opportunities.

Membership VentureESG

VentureESG is a community-based non-profit organization focused on the integration of ESG and responsible investing in venture capital. It acts through regular interaction with and active involvement of venture capital funds and limited partners. In 2024, Innovation Industries joined as a member with the dual objective of learning from this expanding network and taking part in the discussion on standards and best practices.

Set up of internal ESG Committee

An internal ESG committee was created to bring Innovation Industries' ESG management system and its implementation to a higher level. The committee consists of the ESG officer, a partner, a member of the investment team and a legal counsel.

The main responsibilities of the committee are:

- To review, on a regular basis, the status of ESG integration;
- To discuss suggested measures as submitted for consideration by a member of the committee or by another member of the team;
- To design and plan for ESG measures to be implemented by the ESG officer and the investment team;
- To discuss new topics, potential dilemmas or trade-offs before presenting a proposed approach to the broader team and/or the Partners.

The ESG committee meets as often as needed, but at least once every quarter.

Alignment with updated Invest Europe ESG Reporting Guidelines

The Invest Europe ESG reporting template was revised in 2024. Innovation Industries has, with the support of our partner Atlas Metrics, aligned reporting with the new standard, both on the level of the fund manager and the portfolio.

Revision & improvement of ESG Maturity Grid

The ESG Maturity Grid is our customized standard for ESG management over the different stages of companies' evolution, from seed to maturity (see the section 'Our portfolio'). The grid was revised in 2024 with the goal of embedding lessons learned over several years of applying the tool as well as aligning with international standards such as the:

- Invest Europe ESG Reporting Guidelines
- VentureESG Materiality Maturity Map
- OECD Guidelines for MNEs
- OECD Good Practice Guidance on internal controls, ethics and compliance

Climate data and metrics: changed breadth of scope 3 reporting

Over several years of developing a practical approach to carbon accounting, we have learned that calculating Scope 3 GHG emissions across all 15 categories is often unfeasible for companies in our portfolio. Many categories are not applicable, and where they are, the effort required to report-particularly in categories like 'transportation and distribution' or 'use of sold products'-is disproportionate to the emissions involved.

Recognizing this, we revisited the primary objective of carbon accounting within our portfolio: to build awareness, foster intentionality, and establish an initial commitment. We concluded that requiring companies to report on all Scope 3 categories would hinder this goal, potentially causing confusion and discouragement.

Instead, we ask companies to focus on collecting high-quality data for a limited number of Scope 3 categories-those most relevant based on materiality and data availability. Accordingly, we have decided to limit Scope 3 reporting to the following categories:

- Purchased Goods and Services
- Fuel and energy related activities
- Business travel
- Employee commuting

Refinement of stage-based impact value driver framework

As with other elements of our ESG and impact approach, our monitoring of company-specific impact KPIs reflects the different stages of company development. In this context, we focus on three basic value drivers. Following internal discussion and feedback from LPs, we have refined our framework to incorporate the following learnings:

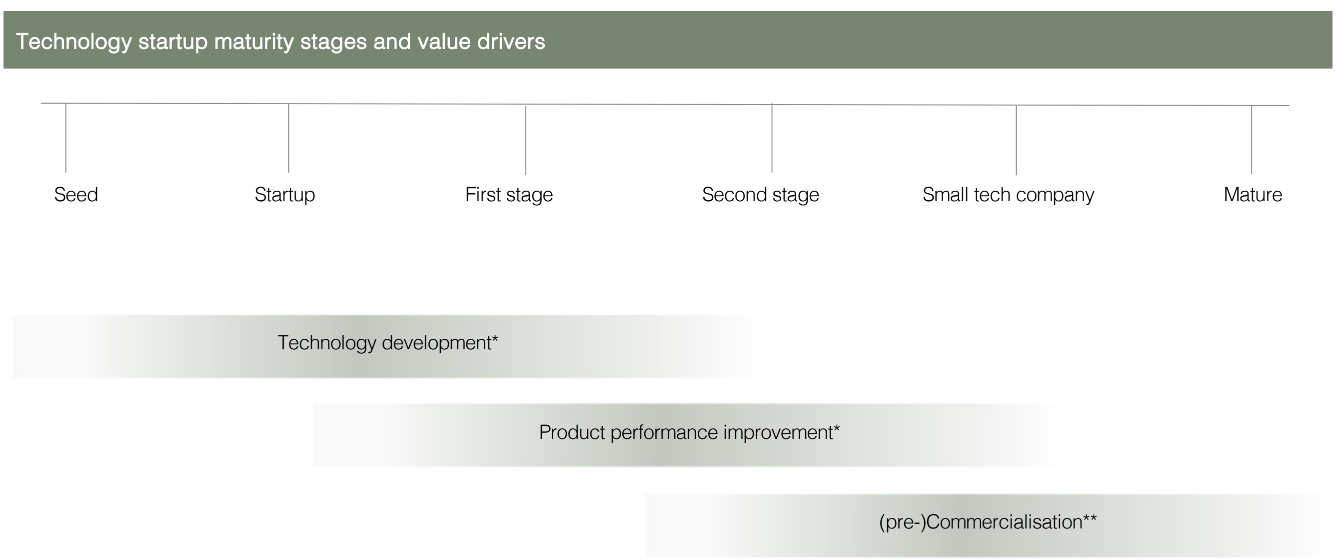
- Value drivers frequently overlap;
- Progress on *product performance improvement* KPIs is often non-linear and subject to complex market and

technology dynamics. This makes such KPIs difficult to standardize or report publicly without deep contextual information.

- Identifying a *commercial* KPI for pre-revenue companies is particularly helpful, as it sets an ambition, establishes strategic focus and makes explicit the contribution of a company to Innovation Industries' sustainable investment objective.

Figure 2 shows how each of the value drivers applies over time. In this report, we provide data reflecting progress on two value drivers: *technology development* and *commercialization*. KPIs on *product performance improvement* are set and monitored where relevant but not publicly disclosed. As of this year, *ambition-based commercial* KPIs are set for pre-revenue companies and available to our investors upon request.

Figure 2. Stage-based impact value driver framework



Fund manager

As fund manager, we take our responsibility towards key stakeholders seriously. The implications of our fiduciary duty have since long been covered through our Governance approach. In line with this duty as well as our duty towards portfolio companies and employees, we support and apply the basic principles for governance on which global and industry-based standards, like the OECD Principles of Corporate Governance and the NVP[1] code of conduct, are based. Amongst them are *integrity* and *transparency*.

We continuously build on this approach and advance its implementation to have it optimally support our responsible investment strategy and, by extension, strengthen our purpose-driven organization. In addition, having embraced the concept of responsible operations, we are taking steps to align our way of working with our sustainability-focused approach to managing our portfolio.

Culture

With the aim of identifying, refining and actively nurturing the key characteristics of our organizational culture, we organized a dedicated culture session in September 2024. The session was facilitated by an external expert in team development, leadership & culture. A central objective of this session was to gather input to, later in time, refine our organizational values and articulate corresponding behaviors - ensuring these values are meaningfully embedded in our way of working.
A follow-up session was held in 2025.

Responsible operations

In 2023 we reported that, to be able to improve our approach to reducing the environmental footprint of our internal operations, we needed first to assess and monitor this footprint. In 2023, we facilitated this by onboarding with the external platform for ESG data management *Atlas Metrics*, which includes a GHG protocol aligned carbon footprint calculation tool. In 2024, we adopted new tooling for expense reporting and designed the reporting process to support carbon footprint calculations. Hence, as of 2025, we will have more detailed data on business travel and employee commuting, in support of scope 3 greenhouse gas reporting. We will continue to streamline the internal reporting process to better meet ESG data requirements more broadly.

ESG performance indicators

In this section, we report on our internal organization. Through a set of ESG performance indicators as displayed in table 1, we quantify outcomes relating to several issues.

[1] Nederlandse Vereniging van Participatiemaatschappijen - the Dutch Private Equity and Venture Capital Association

Table 1. ESG performance indicators, Innovation Industries' internal operations (2024)

	Carbon footprint								Human capital			Diversity						Health & safety		
	Total GHG emissions (location-based)[1,2]	Total GHG emissions (market-based) [1,2]	Total scope 1 emissions (tCO2e)	Total scope 2 emissions[2] (location-based) (tCO2e)	Total scope 2 emissions[2] (market-based) (tCO2e)	Total scope 3 emissions (tCO2e) [1,3]	Total office floor area (M^2)	Business travel: distance by air (short haul ('000 km))	Total number of employees (FTE)(per 31/12/24)	Net new hires (FTE)	Annual percent turnover[3] (FTE)	NNumber of female partners (FTE)	Number of male partners (FTE)	Leadership gender diversity (% female)	Number of female employees (FTE)	Number of male employees (FTE)	Employee gender diversity (FTE) (% female)	Total number of work-related injuries	Total number of work-related illnesses	Total days lost due to injuries, accidents, fatalities or illness
IIF internal	67.6	77.0	0	20.4	29.8	47.2	647	11.6	18.2	3.3	5.4%	0	7	0%	7.3	10.9	40.1%	0	0	0

[1] Excluding financed emissions
[2] Calculated using floor area as proxy
[3] Combination of activity-based and spend-based methodologies employed / Emissions from 'purchased goods & services', 'business travel' and 'employee commuting'

Our funds

Investing in the high-tech innovation ecosystem

Through our funds, we support scientific research and innovation, thus contributing to the strength of the high-tech innovation ecosystem. Our investment strategy reinforces the additionality of our investments:

- We finance the start-up or scale-up of companies that are limited in their financing options due to their risk profile.
- We assess and monitor the impact potential of our portfolio, to select and build companies with business models that have both economic and environmental or social value creation build into them[2]. To the extent possible, we use our influence to steer companies towards high impact applications.
- We are active owners and involved from an early stage. This allows us to create sustainable value by managing ESG factors early-on, mitigating risks as they arise and addressing negative impacts even before they occur. In a similar manner, we inform, support and guide companies on their impact journey.
- By building on our reputation in the ecosystem as a knowledgeable, reliable and responsible partner, we create financial leverage for our portfolio companies by attracting co-investors, thus increasing their chances of success. On the ecosystem level, this could mean that more money flows to high impact technologies.

Table 2. Investments per 31 December 2024

	Innovation Industries Fund I[1]	Innovation Industries Fund II	Innovation Industries Fund III	Early Stars Fund I (Early Stars Fund)	Total
Number of companies invested in	11	15[2]	6	8[3]	40

[1] Excluding exits
[2] Including the investments in Smart Industries Fund and Medtech TTT Fund
[3] Investments Innovation Industries Fund II (40%) and Innovation Industries Fund III (60%) via Early Stars Fund I

[2] With this commitment captured in a sustainable investment objective for Innovation Industries Fund III

Investing with a sustainable objective - Innovation Industries Fund III

We purposely seek investments that contribute to an environmental or social objective, primarily within the scope of five investment themes. In doing so, we aim to address and support a range of societal issues and trends as well as relevant Sustainable Development Goals (SDGs). Since the closing of our third fund – Innovation Industries Fund III - we actively monitor the continued alignment of our investments with these investment themes.

The data indicate that a majority of companies in our portfolio aim to contribute to the energy transition and the reduction of carbon emissions. Our review of the recent deal flow confirms that indeed most of the investment opportunities presented to us are within this space. Given the grave and urgent threat that climate change poses to both the planet and human wellbeing, it is no surprise that many founders are motivated to apply their expertise toward addressing it. Furthermore, as society continues its transition to a low-carbon energy system, technologies that enable this shift are naturally attracting strong interest — from both early-stage entrepreneurs and market participants — making them not only a logical focus, but also a compelling investment opportunity.

Resource efficiency & circularity

SUSTAINABLE DEVELOPMENT GOALS

12 14

Issues & trends

- Transition to a circular economy
- Material efficiency of industrial processes
- Ecodesign & innovation

MantiSpectra — Early Stars Fund

Miniaturized spectral sensor

Energy transition & carbon reduction

SUSTAINABLE DEVELOPMENT GOALS

7 12 13

Issues & trends

- Energy efficiency of industrial processes
- Transition to renewables & energy storage
- Greenhouse gas capture & storage

beeOLED

Blue light emitter materials for OLED

EnOcean Sustainable IoT

Energy-harvesting IoT technology for application in buildings, homes and for industrial automation

CARBON X — Early Stars Fund

Emulsion feedstock that forms a carbon 3D-structure and that can replace graphite (for batteries)

Battolyser Systems

Integrated battery electrolyser system

LionVolt

3D solid state battery

Sustainable connectivity & infrastructure

SUSTAINABLE DEVELOPMENT GOALS

9 11

Issues & trends

- Exponential growth of data & computation demand
- Energy intensity of computing and data traffic
- Growing connectivity of people and things

NEARFIELD INSTRUMENTS

Metrology & Inspection (M&I) equipment

FononTech — Early Stars Fund

Impulse printing for electronics assembly

PHOTON IP — Early Stars Fund

Optical engine chip (e.g., submodule for optical transceivers)

Health & wellbeing

SUSTAINABLE DEVELOPMENT GOALS

3

Issues & trends

- Quality & affordable healthcare
- Prevention & health promotion
- Responsible digitalization & automation

Sustainable & healthy food

SUSTAINABLE DEVELOPMENT GOALS

2 12

Issues & trends

- Sustainability of food systems
- Climate resiliency of food systems
- Food nutritional value & quality

APHEA bio

Agricultural biologicals

VitalFluid — Early Stars Fund

Plasma activated water solutions for plant health and nutrition

Investments by sector, stage and investment theme

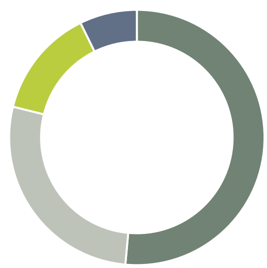
ALL FUNDS

We portray here a breakdown of our investment portfolio by sector, stage and theme. The stages are extracted from our Technology Startup Maturity Grid, wherein we set out a company's evolution from seed to maturity.

Companies by sector

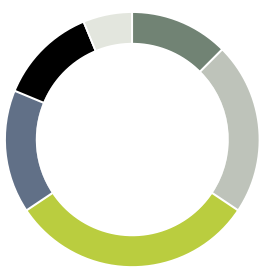
- Semiconductors & photonics 34%
- Other industrial tech 41%
- Food-Agri tech 16%
- Med tech 9%

AUM by sector



- Semiconductors & photonics 51%
- Other industrial tech 28%
- Food-Agri tech 14%
- Med tech 7%

Companies by investment theme



- Resource efficiency & circularity 12%
- Energy transition & carbon reduction 22%
- Sustainable connectivity & infra 31%
- Health & wellbeing 16%
- Sustainable & healthy food 13%
- Out of scope 6%

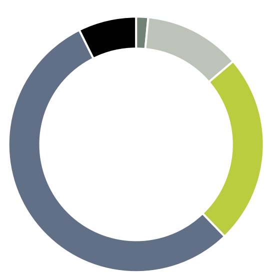
AUM by investment theme

- Resource efficiency & circularity 6%
- Energy transition & carbon reduction 0%
- Sustainable connectivity & infra 64%
- Health & wellbeing 13%
- Sustainable & healthy food 14%
- Out of scope 3%

Companies by stage

- Seed 13%
- Startup 25%
- First stage 34%
- Second stage 22%
- Small tech company 6%

AUM by stage



- Seed 2%
- Startup 12%
- First stage 24%
- Second stage 55%
- Small tech company 7%

Additional investments via the Smart Industries Fund and Medtech TTT

Innovation Industries is part of Thematic Technology Transfer (TTT), an alliance with TNO and 4TU (Delft University of Technology, Eindhoven University of Technology, University of Twente and Wageningen University & Research). The goal of this government (co-)funded program is twofold, namely, a) to stimulate and expedite the practical application of promising research and b) to strengthen the connection and increase cooperation between the institutions involved. The program offers subsidies to the knowledge institutes for support to researchers aspiring to start a spin-off company. Also, it co-finances theme-based funds for recently founded spin-offs. The two funds managed by Innovation Industries are centred around Smart Industry and MedTech.

The investments through these funds offer an opportunity for us to get to know, and possibly provide follow-on funding to, companies with positive impact potential, thus enhancing our impact[3].

Table 3. Investments via SIF and Medtech TTT

	Smart Industries Fund	Medtech TTT Fund	Total
Companies invested in (total)	18	7	25
Companies invested in (2024)	1	3	4
Companies to receive follow-on funding from IIF (2024)	3	2	5

Investments in 2024

In 2024, two existing portfolio companies - Nearfield Instrument and Lionvolt - received follow-on funding from Innovation Industries Fund III. Also, we added two companies to our portfolio, both from the Early Stars Fund. These companies - Fonontech and PhotonIP - aspire to play a critical role in the semiconductor industry by addressing key sectoral challenges, particularly the energy demands of chip usage and the resource waste and pollution associated with chip production. Through the outcomes they aim to achieve, these companies are positioned to enable a significant reduction in the industry's carbon footprint.

Each of these four companies contributes to the fulfilment of our sustainable investment objective, as signified by their alignment with our investment themes. Moreover, each company received an overall impact score of 4 out of 5 ('high') based on an assessment of impact potential on five dimensions.

The environmental challenges addressed by three of these companies unfold within the broader societal drive for global connectivity and sustainable tech-based innovation. This illustrates how deep tech investments often have the potential to address multiple sustainability challenges - some directly, others indirectly through their enabling nature. This makes the assessment of their impact potential particularly complex. However, we remain committed to not only supporting these companies on their path to maturity but also to effectively communicating the significance of their technologies to stakeholders. This supports both their success and our goal of transparency.

In this section, we display the investments from our main fund.

[3] The investments are not part of this report, because of the separate status of the fund and small ticket sizes.

NEARFIELD INSTRUMENTS	BUSINESS	SECTOR	SICS INDUSTRY	STAGE
	Metrology & Inspection (M&I) equipment	Semiconductors & photonics	Semiconductors	Second stage

SUSTAINABLE OBJECTIVE	INVESTMENT THEME	RELEVANT SDG'S
	Sustainable connectivity & infra	7 Affordable & Clean energy; 9 Industry, innovation & infrastructure; 12 Responsible consumption & production

IMPACT POTENTIAL (assessment on five dimensions of impact)	**WHAT**		**WHO**	**HOW MUCH**			**ADDITIONALITY**	**MODERATORS**
	Level of outcome contributed to	*Importance to stakeholders*	*How underserved stakeholders are to the outcome*	*Scale*	*Degree*	*Duration*	*Extent to which the outcome is better than what will likely occur*	*Risk of moderating factors reducing impact*
STATUS PER CLOSING (score 1-5)	4	5	4	5	4	4	5	4

LionVolt	BUSINESS	SECTOR	SICS INDUSTRY	STAGE
	Development of 3D lithium anodes for solid-state battery	Other industrial tech	Fuel cells & industrial batteries	Startup

SUSTAINABLE OBJECTIVE	INVESTMENT THEME	RELEVANT SDG'S
	Energy transition & carbon reduction	7 Affordable & Clean energy

IMPACT POTENTIAL (assessment on five dimensions of impact)	**WHAT**		**WHO**	**HOW MUCH**			**ADDITIONALITY**	**MODERATORS**
	Level of outcome contributed to	*Importance to stakeholders*	*How underserved stakeholders are to the outcome*	*Scale*	*Degree*	*Duration*	*Extent to which the outcome is better than what will likely occur*	*Risk of moderating factors reducing impact*
STATUS PER CLOSING (score 1-5)	4	4	4	5	4	5	4	3

Resources: McKinsey (2022). Keeping the semiconductor industry on the path to net zero. November 2022
Hasan et al. (2025). Advancing energy storage: The future trajectory of lithium-ion battery technologies. Journal of Energy Storage 120.
IEA (2022). By 2030 EVs represent more than 60% of vehicles sold globally, and require an adequate surge in chargers installed in buildings. / IEA.org/reports

Our portfolio

Monitoring and continuous improvement

ESG AND IMPACT MATURITY

As active shareholder, we support our portfolio companies in improving their ESG performance, or what we call *ESG management capacity.* Annually, ESG performance data are self-reported by the companies and aggregated into a dashboard for analysis on company- and portfolio-level. Beyond the data, we highly value narrative, developed through engagement with companies, to provide the necessary context and depth. All of this feeds into an assessment of each company's ESG management capacity, conducted using our ESG Maturity Grid.

We also monitor and support the enhancement of *impact management capacity* as a measure of performance. An assessment is conducted annually using our Impact Maturity Grid, which relies entirely on qualitative information gathered through engagement with companies and review of their documentation. Quantitative impact data, for instance on company-specific KPIs, is not as such considered in the assessment because of its focus on management capacity rather than on the realization of impact objectives. The company's approach to the selection, monitoring and reporting of KPIs is, however, part of the assessment, in respect of the category 'Goal-/target-setting & performance monitoring'.

ANNUAL IMPACT REVIEWS

This year, we conducted the first annual impact reviews for the investments made from Innovation Industries Fund III in 2023. These are assessments of *impact potential,* performed through our proprietary methodology[4]. The assessment is supported by a set of indicator-specific data categories.

The baseline impact assessments and impact reviews are reviewed and approved by an independent impact committee.

STATUS ON IMPACT KPIS

Annually, we assess company-specific KPIs that serve as a measure of performance against the relevant (stage-based) basic value driver(s) for a company: technology development and/or commercialization.

_SECTION OVERVIEW

In this section, we provide the following information (where the data reflects the portfolio- (rather than company-) level, this is indicated in *italics*):

ESG (full portfolio)

a. an assessment of the level of maturity of ESG management capacity, including progress compared to the previous year (2023), across seven issue categories

b. a narrative report wherein we track performance related to two issues *(portfolio level)*

Impact (Fund III portfolio)

a. an overview of the companies that are part of our high-impact portfolio, i.e. those invested in from Innovation Industries Fund III

b. an assessment of the level of maturity of impact management capacity, across five categories

c. the annual impact reviews, across five dimensions of impact

d. the status on company-specific KPIs as a measure of performance against the relevant (stage-based) basic value driver(s)

_UPDATES TO OUR APPROACH

As outlined in the 'Fund manager' section, we revised our approach to monitoring scope 3 GHG emissions to focus on the most relevant categories – balancing materiality with data availability constraints. As a result, for most companies, the reported data on this metric reflects emissions in (some of) the following categories:

- Purchased Goods and Services
- Fuel and energy related activities
- Business travel
- Employee commuting

As companies progress towards maturity, we encourage them to capture a broader range of categories.

[4] Developed on based on the Five dimensions of impact of the Impact Management Norms (Impact Management Norms | Impact Frontiers).

Assessment of ESG management capacity

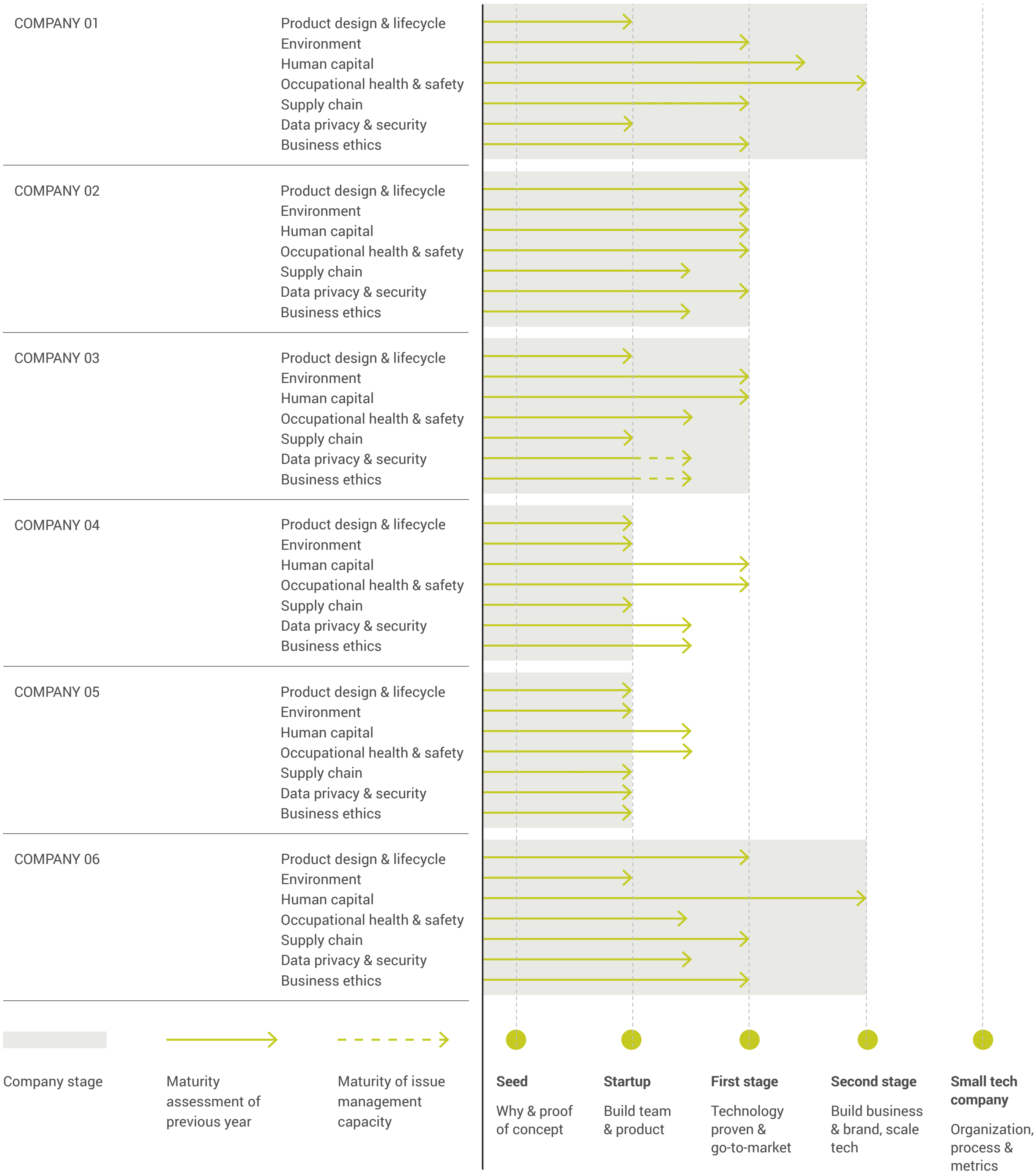
Our ESG framework has been developed around the ESG Maturity Grid; our customized standard for ESG management over the different stages of companies' evolution, from seed to maturity. The grid is also a tool for performance monitoring and focused engagement, designed to reflect the general dynamics and context of start-up and scale-up companies.

On the basis of the ESG Maturity Grid, in 2024 we re-assessed the level of maturity of portfolio companies' ESG management capacity across seven issue categories. The outcome signifies the extent to which companies fulfil key stage-based expectations.

For a description of each of the issue categories addressed through our framework, we refer to our issue profiles, drafted to set out the key (contextual) aspects that define where and how each issue category is material[5] to our portfolio and that shape our customized approach. The issue profiles are publicly available via our website.

[5] We define 'material' as: having a potentially substantial impact on a company's ability to create and preserve economic, social and environmental value. To be labelled as material, an issue has to be a) recognized by stakeholders (including peers and competitors) as key to the sector and/or technology of interest, b) dealt with in relevant (international) standards, agreements and laws, and/or c) posing risks or opportunities (e.g. impacting the potential of a business model or influencing licence to operate) in view of the specific characteristics of the company.

Portfolio ESG management capacity assessments



COMPANY 07

Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics

COMPANY 08

Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics

COMPANY 09

Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics

COMPANY 10

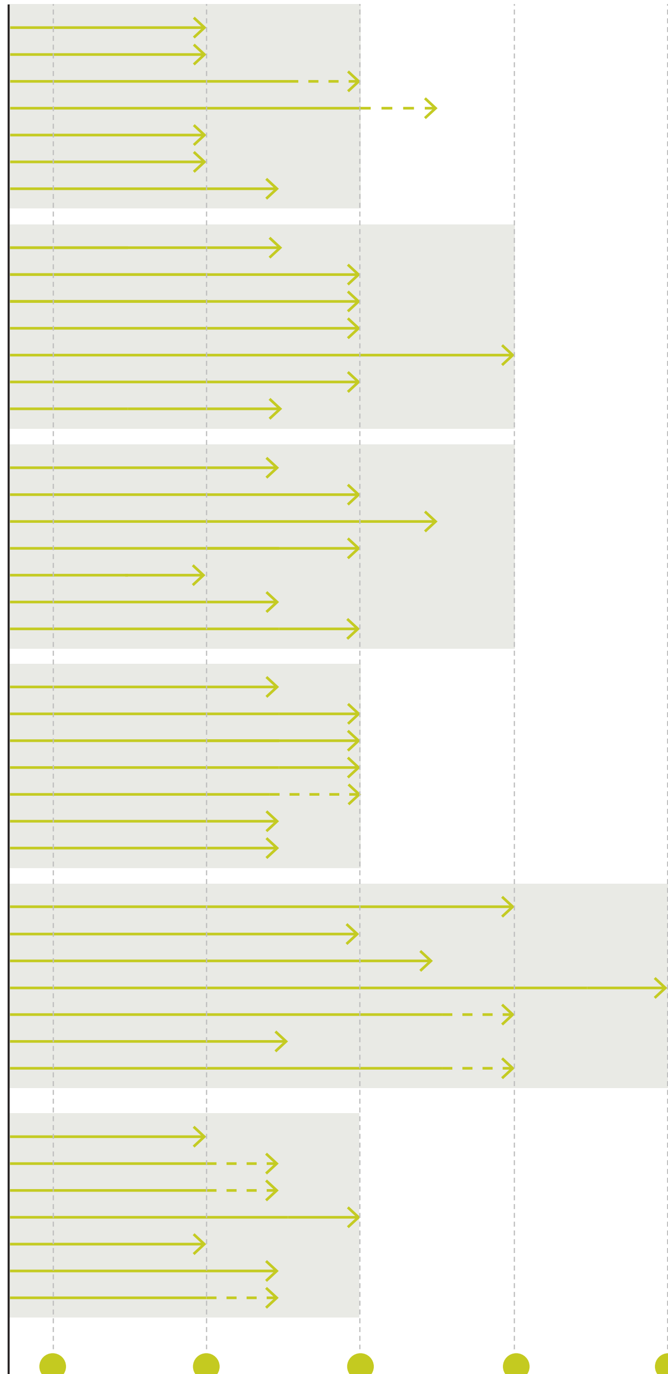
Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics

COMPANY 11

Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics

COMPANY 12

Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics



Company stage

Maturity assessment of previous year

Maturity of issue management capacity

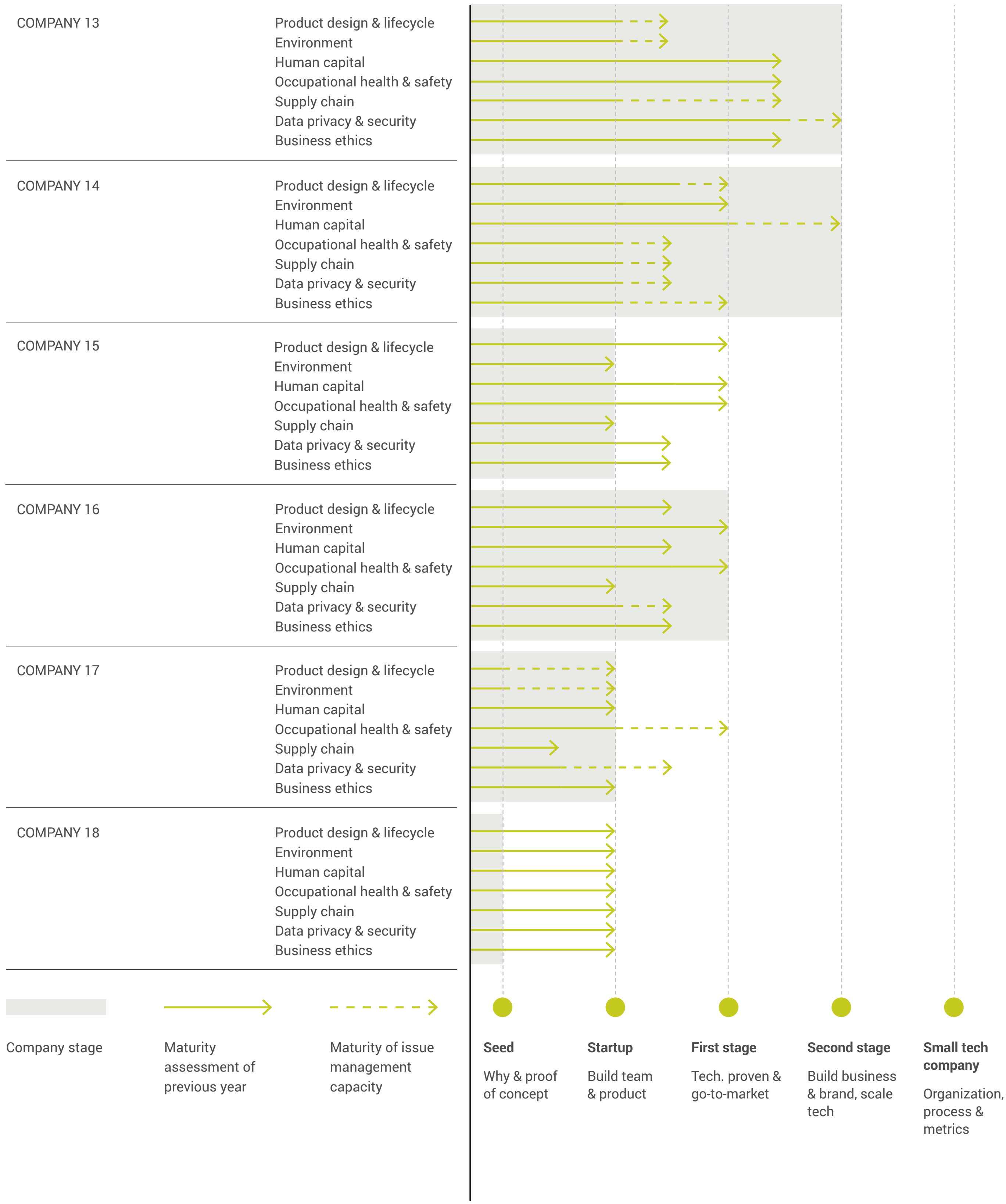
Seed
Why & proof of concept

Startup
Build team & product

First stage
Tech. proven & go-to-market

Second stage
Build business & brand, scale tech

Small tech company
Organization, process & metrics


COMPANY 13
Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics
COMPANY 14
Product design & lifecycle
Environment
Human capital
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COMPANY 18
Product design & lifecycle
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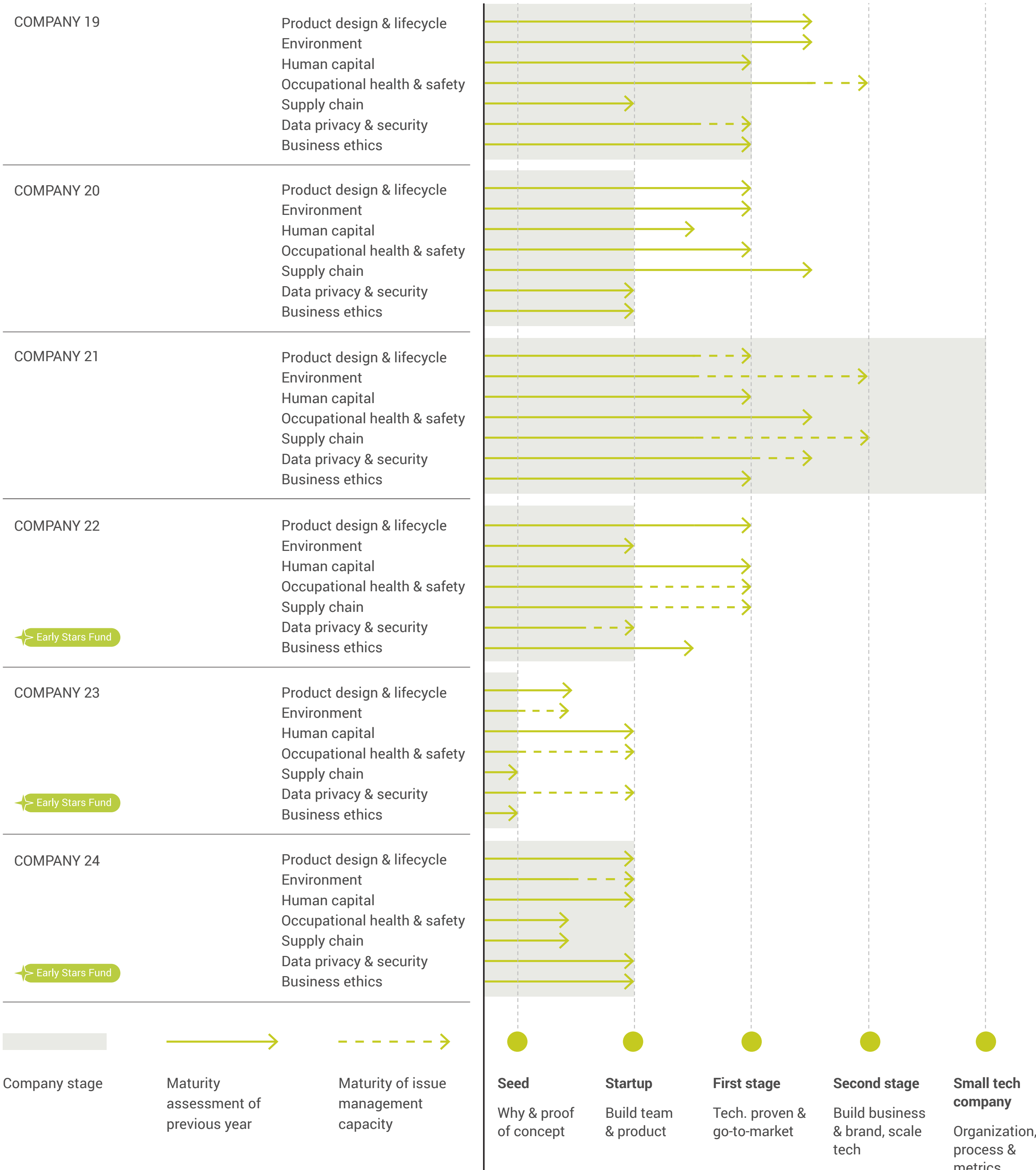
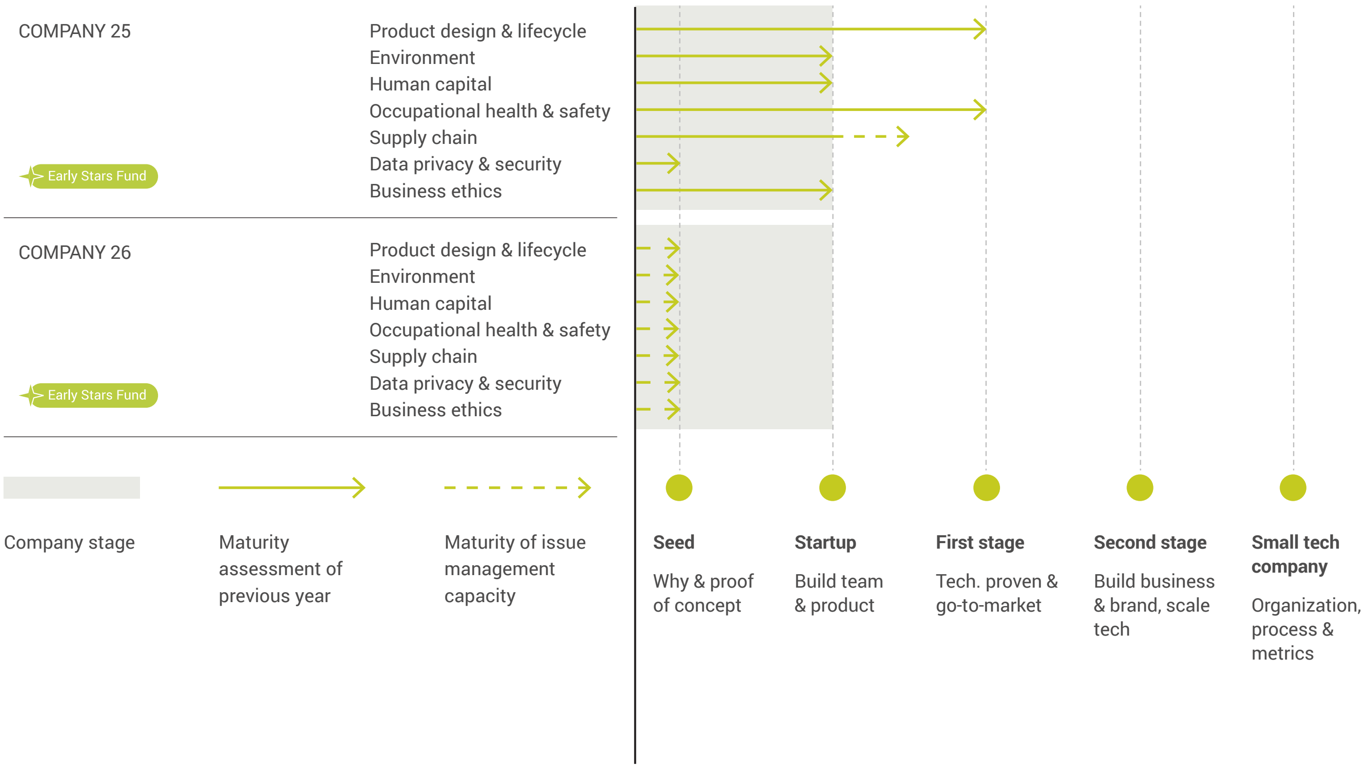
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics
Company stage
Maturity assessment of previous year
Maturity of issue management capacity
Seed
Why & proof of concept
Startup
Build team & product
First stage
Tech. proven & go-to-market
Second stage
Build business & brand, scale tech
Small tech company
Organization, process & metrics


COMPANY 19
Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics
COMPANY 20
Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics
COMPANY 21
Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics
COMPANY 22
Early Stars Fund
Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics
COMPANY 23
Early Stars Fund
Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics
COMPANY 24
Early Stars Fund
Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics
Company stage
Maturity assessment of previous year
Maturity of issue management capacity
Seed
Why & proof of concept
Startup
Build team & product
First stage
Tech. proven & go-to-market
Second stage
Build business & brand, scale tech
Small tech company
Organization, process & metrics


COMPANY 25
Early Stars Fund
Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics
COMPANY 26
Early Stars Fund
Product design & lifecycle
Environment
Human capital
Occupational health & safety
Supply chain
Data privacy & security
Business ethics
Company stage
Maturity assessment of previous year
Maturity of issue management capacity
Seed
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Tracking performance within our portfolio - Diversity & Inclusion and Information security

In our 2023 report, we selected two topics for a more detailed status update; diversity & inclusion (managed under the ESG issue category *Human capital*) and information security (managed under the ESG issue category *Data privacy & security*). These topics were selected due to their high materiality to our portfolio and their consistent prioritization by stakeholders, including our investors. Both issues are also central to our ongoing engagement with portfolio companies.

We are committed to actively and transparently tracking the results of our ongoing efforts to drive performance improvements across the portfolio. In this section, we present the portfolio-level performance development over the period from 2022 to 2024.

In 2023, we reported progress on both topics. However, we also emphasized the need to drive further performance improvements. This conclusion concerned two elements:

1. The availability and quality of data, to support performance monitoring and reporting

This point of attention is addressed through a restructuring of our reporting framework in 2023, with the help of Atlas Metrics. Through engagement, we stimulate and educate our portfolio companies to provide complete and adequate data reports.

2. The capacity of portfolio companies to manage related risks and opportunities, as signified, for example, by the availability of written policy.

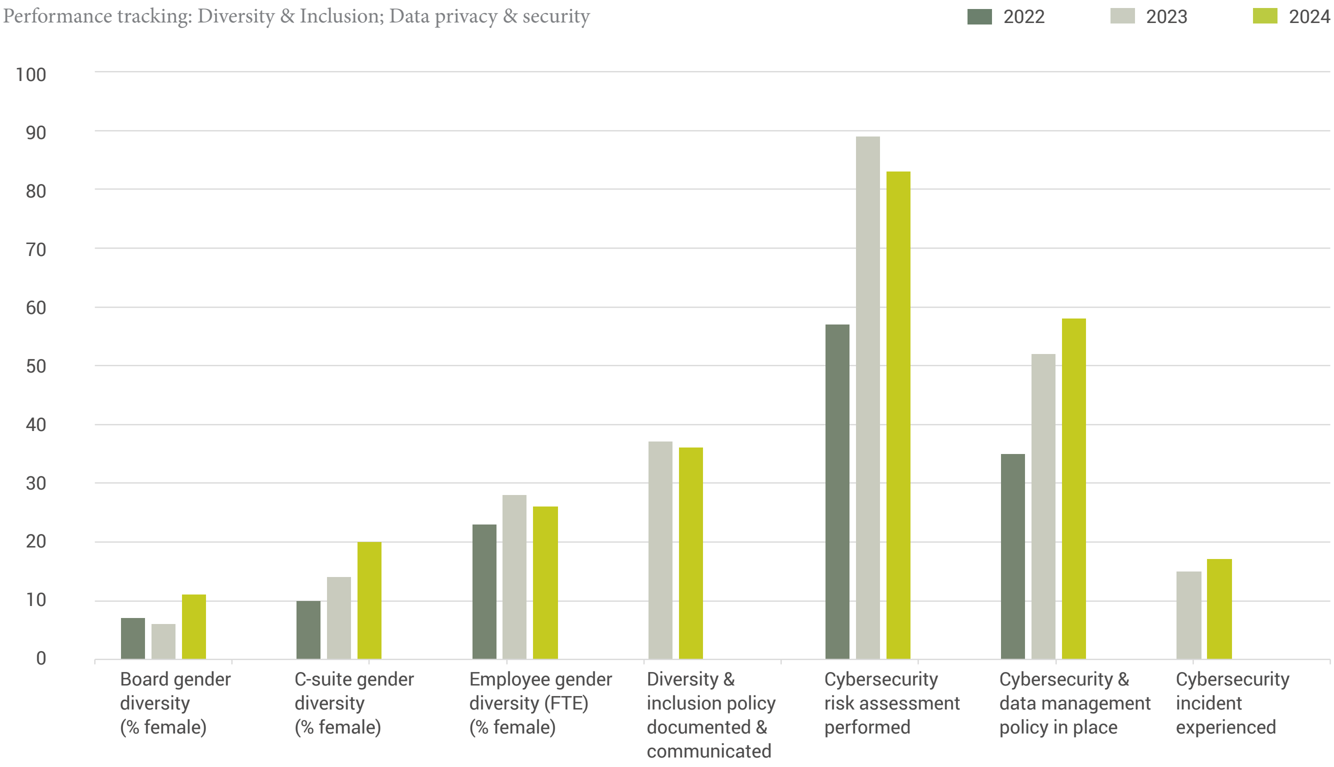
Progress within the portfolio is illustrated in this session through a series of figures that present performance data on a range of key indicators.[6] The data confirm that both topics require sustained attention.

We observe a notable improvement in gender diversity at the C-suite and board levels, reflecting progress in leadership representation. However, this trend is not yet mirrored in broader team diversity. Additionally, as new companies are added to the portfolio, their starting points can skew aggregate figures, making it more challenging to assess our effectiveness in driving ESG integration solely based on portfolio-wide averages.

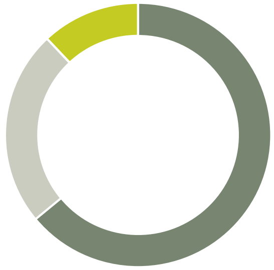
On the topic of information security, we are pleased to report that 83% of companies have conducted a cybersecurity risk assessment. Those that have not yet done so are all early-stage (seed or startup) companies. Furthermore, we have seen strong growth in the percentage of companies that have implemented data management and cybersecurity policies. At the same time, the ongoing occurrence of cybersecurity incidents highlights the ongoing importance of strengthening cybersecurity practices across the portfolio.

[6] The companies that were added to the portfolio in 2024 were included in the calculations.

Performance tracking: Diversity & Inclusion; Data privacy & security



Diversity & inclusion policy



- No written policy / implicit, not documented and communicated 64%
- Policy documented and communicated 24%
- Policy documented and communicated, with DE&I actively promoted and supported 12%

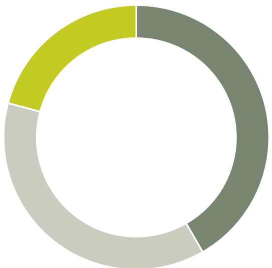
% Female by level

- Board gender diversity (% female) 11%
- C-suite gender diversity (% female) 20%
- Employee gender diversity (FTE) (% female) 26%

Cybersecurity risk assessment

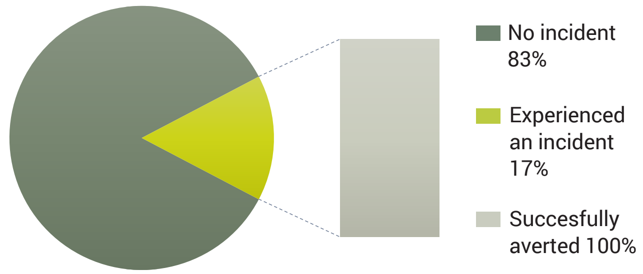
- No cybersecurity risk assessment performed 17%
- Self-assessment or penetration test performed 50%
- Full cybersecurity risk assessment performed by external party 33%

Cybersecurity & data management policy



- Some basic measures taken but no written policy in place 42%
- Written policy 'light' in place 37%
- Complete policy in place, covering all material risks, and regularly reviewed/updated 21%

Cybersecurity incidents



Our high-impact portfolio

In table 5, we provide an overview of the general characteristics of the companies that are part of the Innovation Industries Fund III portfolio, including those that have received financing from the Early Stars Fund.

While most of our portfolio companies contribute positively to social and/ or environmental objectives, positive impact potential was a formal selection criterion specifically for these companies. Additionally, we conduct annual assessments to evaluate the extent to which these companies are progressing and developing in alignment with their stated impact objectives (see next sections).

Table 5. General company information, portfolio companies Innovation Industries Fund III

COMPANY NAME	BUSINESS	SECTOR CLASSIFICATION by the fund	GICS INDUSTRY	SICS INDUSTRY	COMPANY STAGE	RELEVANT INVESTMENT THEME	COUNTRY OF DOMICILE	YEAR OF INITIAL INVESTMENT*
BeeOLED	Development of blue light emitter materials for OLED	Other industrial tech	Chemicals	Chemicals	Seed	Energy transition & carbon reduction	Germany	2023
Aphea.Bio	Development of agricultural biologicals	Agri-food tech	Chemicals	Chemicals	First stage	Sustainable & healthy food	Belgium	2023
Battolyser Systems	Development of flexible electrolyser system	Other industrial tech	Electrical equipment	Fuel cells & industrial batteries	Startup	Energy transition & carbon reduction	Netherlands	2023
EnOcean	Energy-harvesting IoT technology for application in buildings, homes and for industrial automation	Other industrial tech	Electronic Equipment, Instruments & Components	Hardware	Small tech company	Energy transition & carbon reduction	Germany	2023
Nearfield Instruments	Metrology & Inspection (M&I) equipment	Semiconductors & photonics	Semiconductors & semiconductor equipment	Semiconductors	Second stage	Sustainable connectivity & infra	Netherlands	2024
Lionvolt	Development of 3D lithium anodes for solid-state battery	Other industrial tech	Electrical equipment	Fuel cells & industrial batteries	Startup	Energy transition & carbon reduction	Netherlands	2024
Early Stars Fund								
Mantispectra	Development of semiconductor solution for photonic chip-scale Near-Infrared (NIR) sensor used in spectroscopy analysis	Semiconductors & photonics	Semiconductors & semiconductor equipment	Semiconductors	Seed	Resource efficiency & circularity	Netherlands	2023
VitalFluid	Development of plasma activated water solutions for plant health and nutrition	Food-Agri tech	Electrical components & equipment	Electrical & electronic equipment	Startup	Sustainable & healthy food	Netherlands	2023
CarbonX	Development of emulsion feedstock that forms a carbon 3D-structure and that can replace graphite	Other industrial tech	Chemicals	Chemicals	Startup	Energy transition & carbon reduction	Netherlands	2023
FononTech	Development of equipment for impulse printing for electronics assembly	Semiconductors & photonics	Semiconductors & semiconductor equipment	Semiconductors	Seed	Sustainable connectivity & infra	Netherlands	2024
PhotonIP	Development of optical engine chip (e.g., submodule for optical transceivers)	Semiconductors & photonics	Semiconductors & semiconductor equipment	Semiconductors	Seed	Sustainable connectivity & infra	Netherlands	2024

* Year of first investment from Innovation Industries Fund III
** Scoring based on the assessments of ESG and impact management capacity. For the different performance levels and their definition, please refer to appendix I

Assessment of impact management capacity

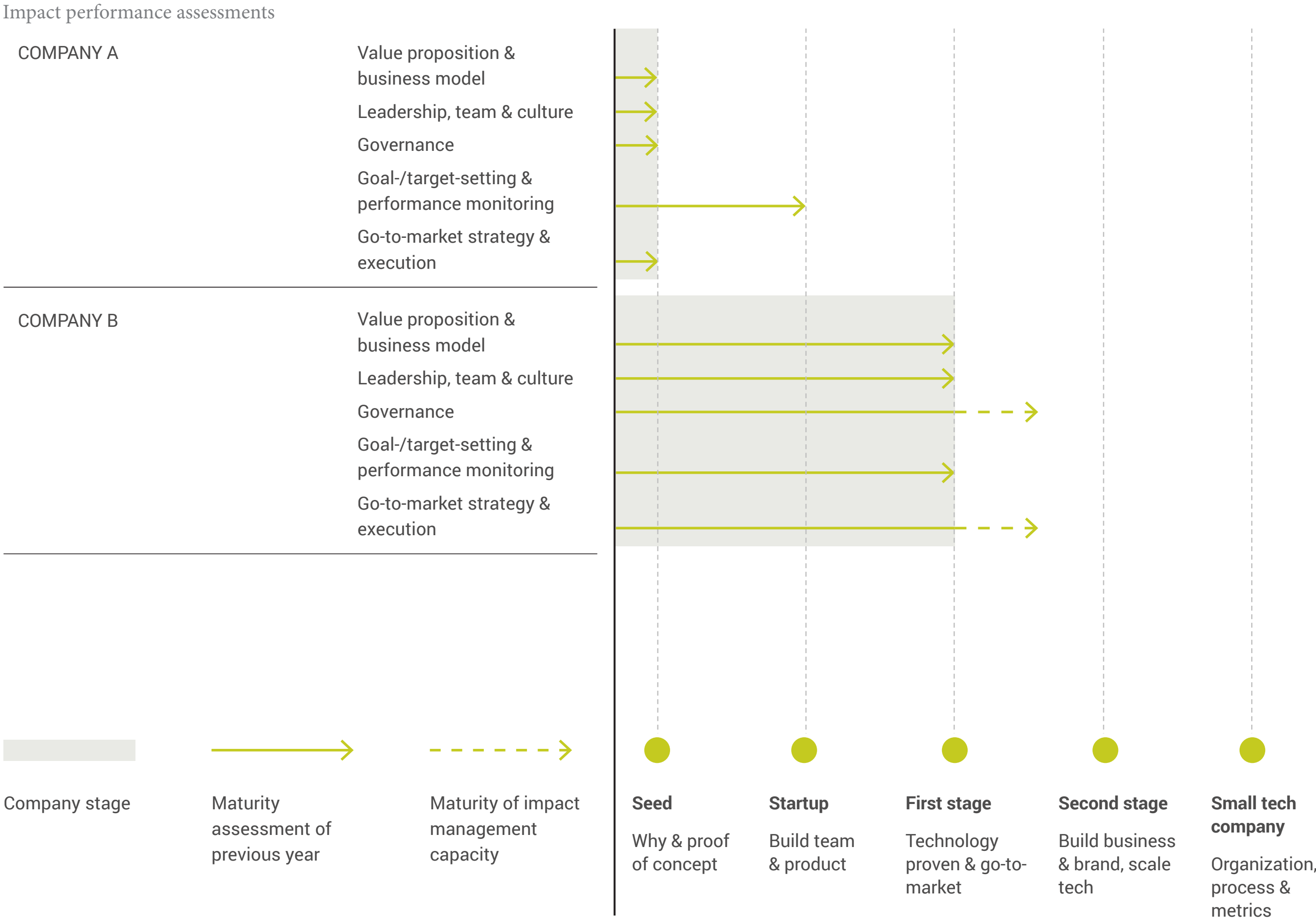
On the basis of similar principles as the ESG Maturity Grid, we developed an Impact Maturity Grid: an overview of the development we expect to see in how companies embed impact objectives over the different stages of their evolution from seed to maturity. Similar to the ESG Maturity Grid, the Impact Maturity Grid supports our sustainable investment objective in three ways:

- standard-setting: it defines stage-based expectations for advancing impact objectives
- focused engagement: it guides how we support companies in embedding impact objectives into relevant business functions and elements
- monitoring and reporting: it enables us to assess, steer and report on performance

We annually assess the maturity of companies' impact management capacity across five categories by selecting the most fitting impact maturity stage in the grid. The degree of alignment with a company's general stage of maturity is reflected in an *overall impact maturity score*[7], which serves as the sustainability indicator *'company development in line with impact objective'*[8].

In this section, we display the results of the assessments as conducted per the end of 2024.

Impact performance assessments



[7] The scores are included in table 5.

[8] Three performance levels were defined: See appendix I


COMPANY C
Value proposition & business model
Leadership, team & culture
Governance
Goal-/target-setting & performance monitoring
Go-to-market strategy & execution
COMPANY D
Early Stars Fund
Value proposition & business model
Leadership, team & culture
Governance
Goal-/target-setting & performance monitoring
Go-to-market strategy & execution
COMPANY E
Value proposition & business model
Leadership, team & culture
Governance
Goal-/target-setting & performance monitoring
Go-to-market strategy & execution
COMPANY F
Early Stars Fund
Value proposition & business model
Leadership, team & culture
Governance
Goal-/target-setting & performance monitoring
Go-to-market strategy & execution
COMPANY G
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Leadership, team & culture
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Go-to-market strategy & execution
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COMPANY H
Value proposition & business model
Leadership, team & culture
Governance
Goal-/target-setting & performance monitoring
Go-to-market strategy & execution
COMPANY I
Value proposition & business model
Leadership, team & culture
Governance
Goal-/target-setting & performance monitoring
Go-to-market strategy & execution
COMPANY J
Early Stars Fund
Value proposition & business model
Leadership, team & culture
Governance
Goal-/target-setting & performance monitoring
Go-to-market strategy & execution
COMPANY K
Early Stars Fund
Value proposition & business model
Leadership, team & culture
Governance
Goal-/target-setting & performance monitoring
Go-to-market strategy & execution
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Annual impact reviews

Before making an investment, we conduct a comprehensive assessment of a company's impact potential across eight indicators covering five dimensions of impact. All indicators are rated on a 5-point scale.

Following the investment, we revisit and update this assessment annually. This ongoing review ensures the company remains on track toward achieving its stated impact objective as it progresses on basic value drivers (e.g. technology development).

The extent to which a company maintains its average impact score at closing (the baseline) over time represents the sustainability indicator *'company progress in line with impact objective'.*

In this section, we present the outcomes of the annual impact reviews for companies added to our portfolio in 2023. These reviews build on the impact profiles outlined in that year's annual report, which serve as baseline.

Table 6. Outcome of annual impact reviews as performed in 2024, Innovation Industries Fund III

SUSTAINABLE INVESTMENT OBJECTIVE		IMPACT POTENTIAL (ANNUAL REVIEW)									COMPANY PROGRESS IN LINE WITH IMPACT OBJECTIVE	EU TAXONOMY ELIGIBILITY	
		WHAT		**WHO**	**HOW MUCH**			**ADDITIONALITY**	**MODERATORS**	**OVERALL IMPACT SCORE**	**% OF OVERALL CLOSING SCORE MAINTAINED**	**TAXONOMY ELIGIBLE**	**EU OBJECTIVE**
		Level of outcome contributed to	*Importance to stakeholders*	*How underserved stakeholders are to the outcome*	*Scale*	*Degree*	*Duration*	*Extent to which the outcome is better than what will likely occur*	*Risk of moderating factors reducing impact*				
BeeOLED													
Energy transition & carbon reduction	SDGs 7 12	4	4	4	5	4	4	4	3	4	100%	yes	Climate change mitigation
Aphea.Bio													
Sustainable & healthy food	SDGs 2 12	5	5	4	5	4	5	4	4	4	100%	no	n.a.
Battolyser Systems													
Energy transition & carbon reduction	SDGs 7 12	5	5	4	5	5	5	4	3	4	100%	yes	Climate change mitigation
EnOcean													
Energy transition & carbon reduction	SDGs 7 9	5	5	4	4	4	4	4	5	4	100%	yes	Climate change mitigation

Status on company-specific impact KPIs

Within six months post-closing, the investment team selects at least one KPI for the company at hand from Innovation Industries' Impact KPI library. KPIs are focused on measuring performance against the relevant (stage-based) basic value driver: technology development and/or commercialisation. Hence, the selection of KPIs can be adapted over time based on company specific value inflection points.

KPIs may also be set on a third value driver: product performance improvement. However, for reasons outlined earlier (see section 'Developments in our approach'), these indicators will be monitored but not reported[9].

In this section, we present the status on the selected KPIs. The overview shows that Technology Readiness Level (TRL) is commonly used as a measure of technology development, providing an estimate of the maturity of a technology.

The status on KPIs is provided per end-of-year.

Table 7. Status on impact KPIs per 31 December 2024, Innovation Industries Fund III

COMPANY NAME	STAGE-BASED VALUE DRIVER	KPIs	STATUS PER INVESTMENT (baseline)	STATUS PER END OF 2024
BeeOLED	Technology development	TRL	4	4
Aphea.Bio	Technology development	TRL	7**	7
Battolyser Systems	Technology development Commercialisation	TRL Installed capacity	~~6/7~~ 5 * 0 MW	5 0 MW
EnOcean	Commercialisation	Units sold GHG emissions avoided	18,433,333 1,354,321 tCO2/a	21,394,324 1,571,869 tCO2/a
Nearfield Instruments	Technology development Commercialisation	TRL Units sold	8 0	9 3
Lionvolt	Technology development	TRL	4	4
Early Stars Fund				
Mantispectra	Technology development	TRL	7	8
VitalFluid	Technology development	TRL	8	8
CarbonX	Technology development	TRL	3	4
FononTech	Technology development	TRL	7	7
PhotonIP	Technology development	TRL	7	7

[9] Data on these KPIs will in fact be reported to the Impact Committee.
* Baseline assessment adapted, based on definition of TRL as made specific in 2024
** Given the extensive pipeline of products in development, a specific product is chosen to monitor TRL, i.e. a biofungicide

A preview of 2025

As part of our commitment to continuous improvement, per the end of 2024, we outlined several key actions and measures for 2025.

January 2025

MULTI-STEP CLIMATE PROJECT

With the ultimate goal to establish a more systematic approach to climate risks, this year-long project will include several sub-projects, focusing (at least) on: a) assessing climate-related risks & opportunities across the portfolio; and, b) developing decarbonization and climate (reporting) strategy guidance for start- and scale-ups as input for a stage-based roadmap.

TEAM CULTURE SESSION PART TWO

We built on the views and experiences shared during the 2024 culture session, with the goal of making our core values and behaviors explicit in order to embed them more deeply and strengthen our culture.

ADDING ISSUE CATEGORY 'GOOD GOVERNANCE' TO ESG MATURITY GRID

Good governance is an issue category that has, until now, been addressed more or less implicitly through our ESG management system. This added category will align with the Dutch Corporate Governance Code, support ESG governance specifically and include a high-level roadmap for 'IPO-proofing' supervisory boards.

FORMAL IMPLEMENTATION OF RESPONSIBLE TRAVEL POLICY

Given that commute and business travel make up a significant part of our carbon footprint, we developed a Responsible travel policy. It builds on our established practice of favouring in-person interactions to foster collaboration and strong relationships, while balancing this with remote working and collaboration to reduce our environmental impact. The policy also introduces targeted measures further minimize the footprint of physical travel.

SHARING IMPACT MATURITY GRID ACROSS PORTFOLIO

Since 2023, the impact maturity grid has been revised several times to incorporate lessons learned during its initial implementation. After two years of piloting the grid, we believe it is now ready to be shared with portfolio companies. This rollout will occur in parallel with our 2025 engagement cycle, helping to establish clear expectations and enhancing the effectiveness of our engagement on impact.

December 2025

Appendix I. Definition of ESG and impact maturity performance levels

Overall impact maturity score

PERFORMANCE LEVEL 1 ((VERY) GOOD)
Level of impact maturity on par with or above stage-based standard for ≥ four categories

PERFORMANCE LEVEL 2 (MODERATE)
Level of impact maturity on par with stage-based standard or deviating from standard by no more than one stage for ≥ four categories

PERFORMANCE LEVEL 3 (POOR)
Level of impact maturity deviating from stage-based standard by > one stages for > one categories

Overall ESG maturity score

PERFORMANCE LEVEL 1 ((VERY) GOOD)
Level of ESG maturity on par with or above stage-based standard, for ≥ six issue categories

PERFORMANCE LEVEL 2 (MODERATE)
Level of ESG maturity on par with stage-based standard or deviating from standard by no more than one stage, for ≥ five issue categories

PERFORMANCE LEVEL 3 (POOR)
Level of ESG maturity deviating from stage-based standard by > one stages, for more than two issue categories

Signatory of:

PRI Principles for Responsible Investment