The Long View

A PERSPECTIVE
FROM EUROPEAN VENTURE

→ **ESG ANNUAL REPORT**
2025

HV

Backing the bold.
Building the future.

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Contents

01 The Long View

2025 in Numbers

What changed, what scaled, what we put behind it

Capital

€2.8B

→ Of Assets under management

Capital

€131M

→ Invested in CA&ES-aligned companies, Fund IX cumulative

Practice

213T

→ Of CO_2e offset with Agreena, purchased through CEEZER, covering HV's partial carbon footprint.

Portfolio

+€100M

→ Of Public funding awarded to portfolio companies

Portfolio

55%

→ Of portfolio companies that progressed on at least one ESG KPI in 2025

Portfolio

18%

→ Of women in leadership positions in portfolio companies of Funds IX Ventures and Growth

Investing with a point of view

→ **Underneath the headline events of the past decade, Brexit, the pandemic, wars, and the energy crisis, a quieter shift still has been building.**

In parallel with considerable advances in technology and step-change innovation, Europe has begun to ask which technologies it can build, own, and operate without external dependencies, and the European state has begun building the instruments to answer. Public capital, procurement, and standards are being deployed alongside private capital in ways that increasingly shape which technologies reach scale. The Clean Industrial Deal, the AI Act, the EIB's STEP program, and the European Defence Agency's first operational campaign are pieces of an architecture still being assembled, with the transatlantic renegotiation heightening urgency to the work.

The software side of the portfolio sits within the same question, read from the other end of the stack. AI has compressed the cost of building most software categories, rewriting what makes a software company durable. What used to be defended primarily by engineering velocity is now defended by the depth of the customer relationship, the quality of the data position, and the trust that turns a first deployment into a permanent one. Whether Europe will build the AI products its institutions, hospitals, and industries rely on here and beyond, or import them, is the same sovereignty question the deep-tech portfolio is asking.

Reading these conditions well is part of the work. Backing the companies that emerge from them and standing behind them long enough to let the work bear fruit is the rest of it.

"Europe has all the ingredients to build, own, operate, and export the technologies it needs. European venture has to bring them to scale."

Rainer Märkle

General Partner

Two Themes in Focus

Two themes consistently emerged across conversations with the portfolio this year. They matter to us because, as long-term investors, both go to the heart of what we underwrite: what makes an AI business durable enough to back with conviction, and whether frontier companies can reach scale. We have set out our full thinking on each in standalone pieces.

AI SYSTEMS AT WORK

AI Systems That Earn Repeat Business

In an AI landscape where the underlying model is a commodity, durable businesses are built by founders with a genuine intention to deliver what they set out to build. That shows in the stack, and it is what earns customer trust over time.

Read the full piece →|

SCALING DEEP TECH

Scaling Deeptech with Governments

Backing frontier technology in Europe means confronting a structural gap. Private markets can fund the science, but they cannot replace the anchor customers, patient capital, and regulatory clarity that only governments provide.

Read the full piece →|

The Infrastructure of Sovereignty

GOING FULL SPECTRUM

On 30 March 2025, Isar Aerospace's launch vehicle Spectrum achieved successful lift-off from Andøya Spaceport in Norway, the culmination of a fully in-house development programme, with the first test flight lasting approximately 30 seconds.

The mission, dubbed "Going Full Spectrum," was designed primarily as a data-gathering exercise, with the flight data collected set to inform all future missions.

02 The Portfolio in Practice

What Separates the Founders We Back

→ **The most decisive work in building a company often happens out of public view. The AI founder building for serious buyers knows this. The customer relationships that compound are built on choices the company makes about how it holds data, what it claims its product can do, and which deals it walks away from. Founders who get those choices right develop a sharper sense of what real growth looks like for the kind of company they are building.**

The deep tech founder operates under the same logic, in a different environment. They spend a meaningful portion of early company-building in rooms most software founders never enter: public funding offices, regulatory consultations, procurement processes, conversations with policymakers about technology that does not yet exist commercially. European frontier technology will not reach scale without this work.

Both kinds of founders are doing work that requires a particular kind of partner. Someone who understands that strong relations with institutional investors is core to the success of the company. Someone who knows the difference between a shortcut and a step. That distinction is what we underwrite.

"Founders building companies meant to last decades need a partner in the room for the work that does not show up in a deck."

Jan Miczaika

Senior Partner

AI Sytems That Earn Repeat Business

Eight portfolio companies showing what deliberate product choices look like across the model, middleware, and product layers of the AI stack.

Model Layer
AMI LABS

$1.03B
Seed round at $3.5B valuation

JEPA
World-model architecture, alternative to LLMs

Nabla
1st healthcare partner

→ World-model AI from a JEPA architecture

Middleware Layer
TZAFON

$13.7M
Pre-seed (largest SE)

Open source
Model and agent harness fully open

4B
Parameters, out-performs agents twice its size

→ Multi-agent AI infrastructure

Middleware Layer
EXEIN

1B+
Devices protected

On-device
Security w/out cloud dependency

CRA ready
Built for EU Cyber Resilience Act

→ Runtime firmware security, on-chip

Middleware Layer
N8N

200k+
Active users

Self-hosted
Fair-code license

€180M
Seriece C at $2.5B valuation

→ Open-source workflow automation for AI

Product Layer
NEURA ROBOTICS

€1,4B
Series C

In-house
AI, sensors, control software

1B +
Order book across large enterprise customers

→ Cognitive humanoid for industrial environments

Product Layer
FIFTH DIMENSION

98.4%
First-attempt accuracy

Audit
Defensible: every AI output sources

BXP
SEC-regulated customer

→ Decision intelligence for real-asset investors

Product Layer
VOIZE

180k
Nurses use Voize

27%
Time savings

200M
Documents processed

→ Voice-first documentation for nurses and care workers

Product Layer
FRAMER

$100M
Series D

500k+
Monthly active users

Enterprise
Customers run their .com on Framer

→ AI-powered website design & publishing

Smarter Clinical Workflows Elevated Care

Nabla

KEY DETAILS

Sector	Healthcare AI
Stage	Series B
HQ	Paris, FR
Invested	2025
Website	nabla.com

THE OPPORTUNITY

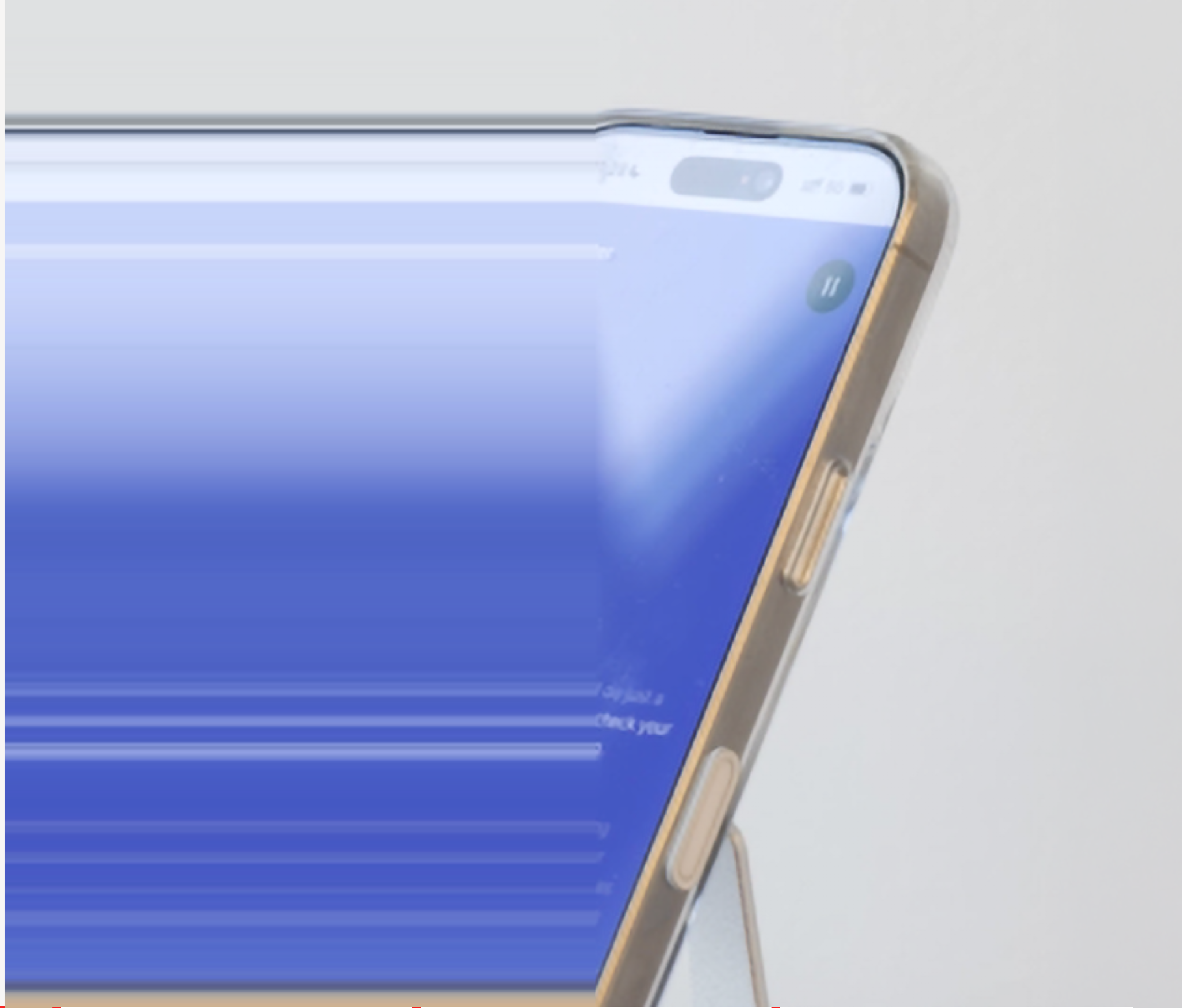
Clinical documentation is one of the largest drivers of physician burnout, consuming an average of two hours on administrative tasks per week of patient care, away from the patients they trained to care for.

THE COMPANY

Nabla's ambient AI assistant listens to clinician-patient conversations and generates clinical notes in seconds, across 35+ medical specialties and multiple languages. Nabla has built AI governance standards into the product from the ground up, covering data privacy, output reliability, and safety protocols, and publishes its approach openly. That trust is part of what drives adoption at scale, and likely why Nabla showed a statistically significant reduction in documentation time in a 2025 NEJM AI randomised trial across multiple ambient AI scribes.

"We are in a new age of AI; consumers expect deeper visibility into models and data. Making this information transparent will soon become a baseline expectation."

Brittney Harrell
Head of Information Security | Nabla



>100,000
→ clinicians using Nabla

150+
→ Health system deployments including CVSHealth, Denver Health etc.

>20 M
→ Patient encounters per year

Deep Tech Built with European Institutions

Energy
MARVEL FUSION

€215M Public participation

€170M Private capital

1st Research facility being built

→ Laser-based inertial fusion

Quantum Computing
KIPU QUANTUM

€10,5M Seed round

DTCF Germany's federal deep-tech as an investor

Advisor EuroHPC Joint Undertaking

→ Hardware-agnostic quantum software

Industrial
AGAIN

€47M Horizon Europe grant (scientific partner)

€10M EIB STEP equity awarded

1st Operational plant

→ Cost-competitive chemicals from CO_2

Semiconductors
FMC

€77M Series C

€23M In public funding

IPCEI ME/CT funding

→ Next-generation memory chips

Defence
QUANTUM SYSTEMS

PRIME Contractor

100% Western supply chain

SERIES C Hensoldt + Airbus

→ Aerial intelligence and autonomy

Defence
ARX ROBOTICS

€42M Raised to date

EDA 1st EU-wide defence contract

100% EU supply chain

→ Autonomous ground systems with AI OS

Critical Minerals
HADES MINING

€15M Seed round

LASER Drilling without open-pit

2029 1st European operational site target

→ Ultra-deep drilling for critical materials

Space
ISAR AEROSPACE

€235M+ Public funding committed

2 Missions for European institutions

80% Inhouse – vertically integrated

→ European-built orbital launch capability

Deep Tech with Nothing to Hide

PACT

KEY DETAILS

Sector	Biomaterials
Stage	Series A
HQ	Cambridge, UK
Invested	2025
Website	pact.earth

THE OPPORTUNITY

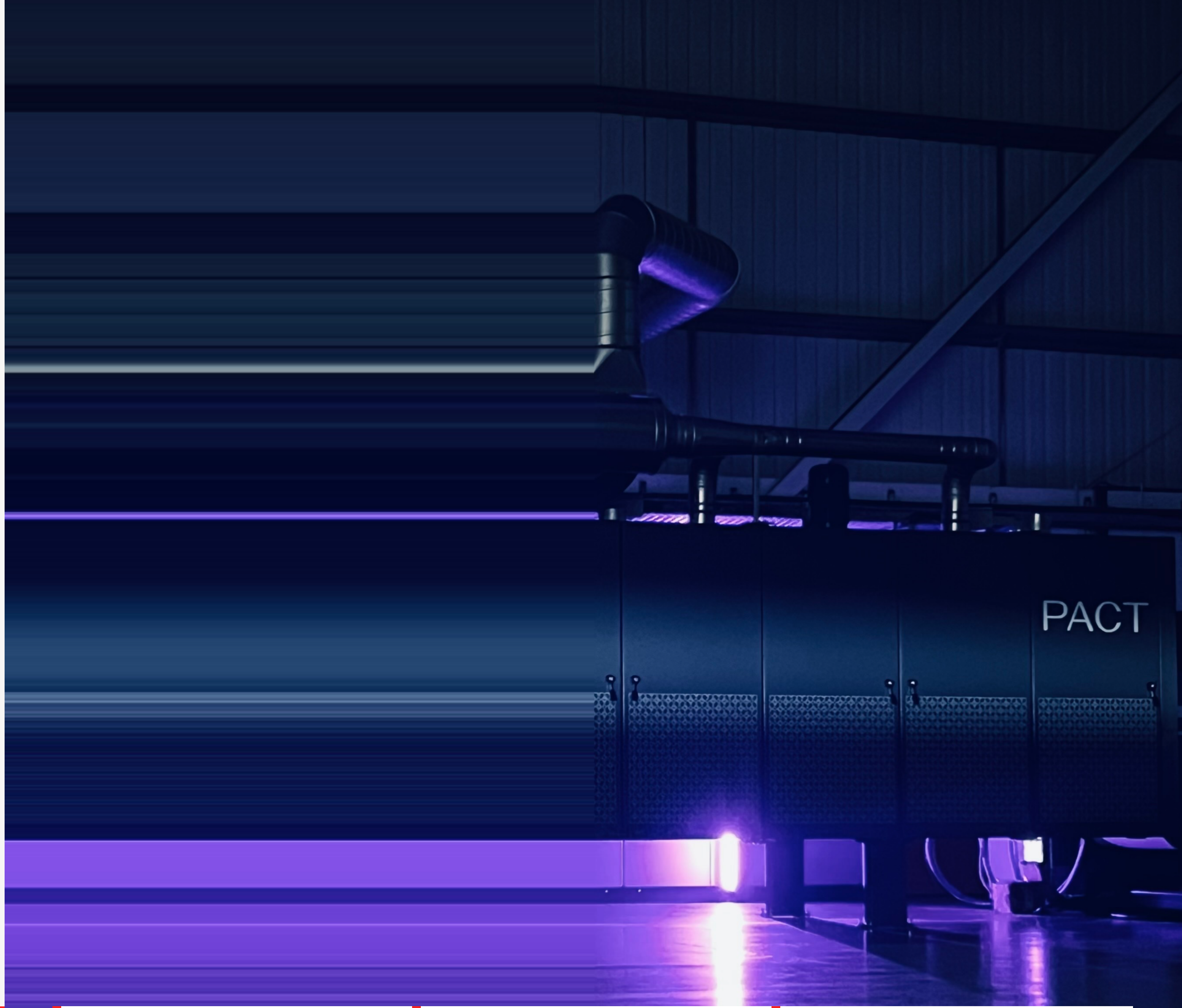
The textile industry emits ~ 1.2Bn tonnes CO2e per year with most consumer textiles relying on fossil plastics with limited aesthetics and price volatility. Brands face mounting pressure from regulators on sustainability and supply-chain transparency, yet credible drop-in alternatives to plastic-coated textiles have remained elusive.

THE COMPANY

PACT is a next-generation materials platform driving the move away from fossil-based plastics with scaled, high-performance alternatives. PACT technology leverage collagen by-products as a bio-based alternative to plastic-coated textiles, compatible with manufacturing across fashion, interiors, footwear and automotive applications. PACT is embedding ESG initiatives to deliver value to its customers without compromise to performance and quality. By undertaking a robust critically reviewed LCA, ISO Certified operations, traceable supply chain, PACT has rigorously substantiated the net-positive environmental impact of its solution.

"We see existing manufacturers as key partners in this journey — scaling at industrial standards is the real challenge."

Dr. Yudí Ding
Co-Founder & CEO



4.8M t
→ CO_2e/yr saved if Oval replaces 1% of plastic tex-tiles

$20M
→ Series A co-led by HV Capital in 2025

LCA
→ critically reviewed life-cycle assessment of Oval

03 Transparency over Perfection

As the Work Expands, So Does the Practice

→ **The portfolio conversations shifted first. Founders in energy and deep tech started arriving with specific questions about Horizon instruments, EIC funding structures, and how to approach government procurement without slowing a commercial sales cycle. Founders building AI products learned what enterprise buyers in healthcare and financial services require when conducting AI diligence.**

Building a useful response meant doing the work. On public funding, mapping instruments across markets, understanding how programs are structured, and then translating that into something founders can act on. On responsible AI, working through what the questions mean in practice, alongside practitioners with direct experience of where AI creates liability and where it creates durable value. Both capabilities now inform how we engage with the portfolio.

None of this would have scaled as quickly without AI. However, the tools that increased our capacity run on infrastructure with significant environmental and social impacts. There is no clean resolution, only deliberate choices: we stay discerning in how we use it, and endeavor to reserve it for the high-impact work where that trade-off is worth making. In line with this same thoughtful process, we remain committed to our responsible investment practices across the portfolio.

"Staying useful means staying current on things that weren't on the agenda two years ago."

Marie Bos

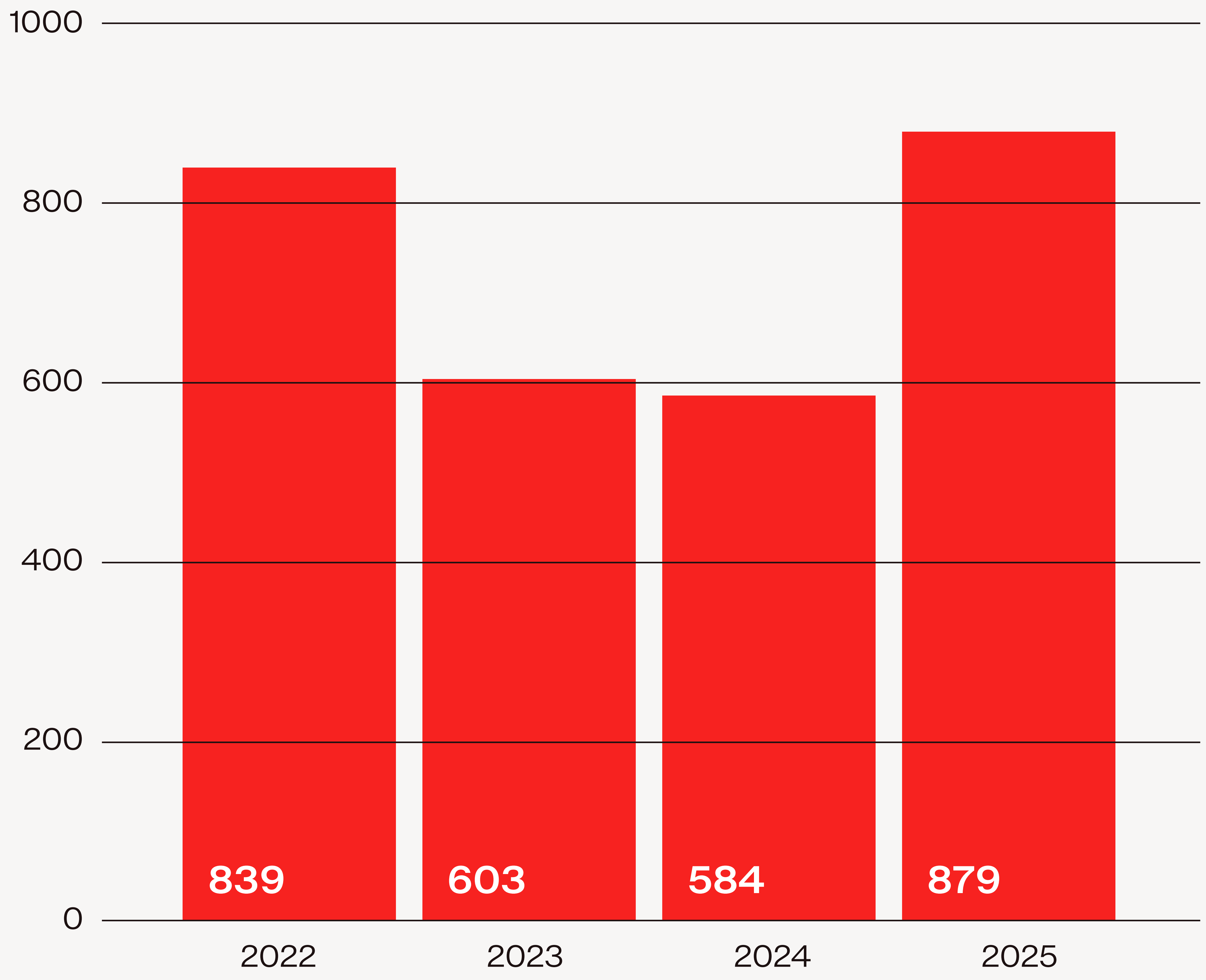
VP ESG & Public Affairs

Four Years of Measurement Show Consistent Structural Pattern

HV Capital has measured its corporate carbon footprint annually since 2022, using Plan A and in accordance with the Greenhouse Gas Protocol. Scope 3 accounts for over 94% of total emissions across all four years; direct operational emissions remain small and stable.

Scope 1,2 & 3

● In tonnes of CO_2e



+49%

→ **Business travel in 2025**
Reflects a fundraising year with LP meetings and portfolio activity.

+6%

→ **Increase in 2025 vs 2022 baseline**
Despite significant growth in team size and activity.

>94%

→ **Scope 3 share**
Structural pattern unchanged across all four years, but exacerbated in fundraising years.

213 T

→ **CO_2e offset in 2025**
Agreena soil carbon credits purchased via CEEZER to offset our Scope 1, 2, employee commute, and business travel emissions.

Achieve Net Zero with Confidence

CEEZER

KEY DETAILS

Sector	Climate
Stage	Series A
HQ	Berlin, DE
Invested	2024
Website	ceezer.earth

THE OPPORTUNITY

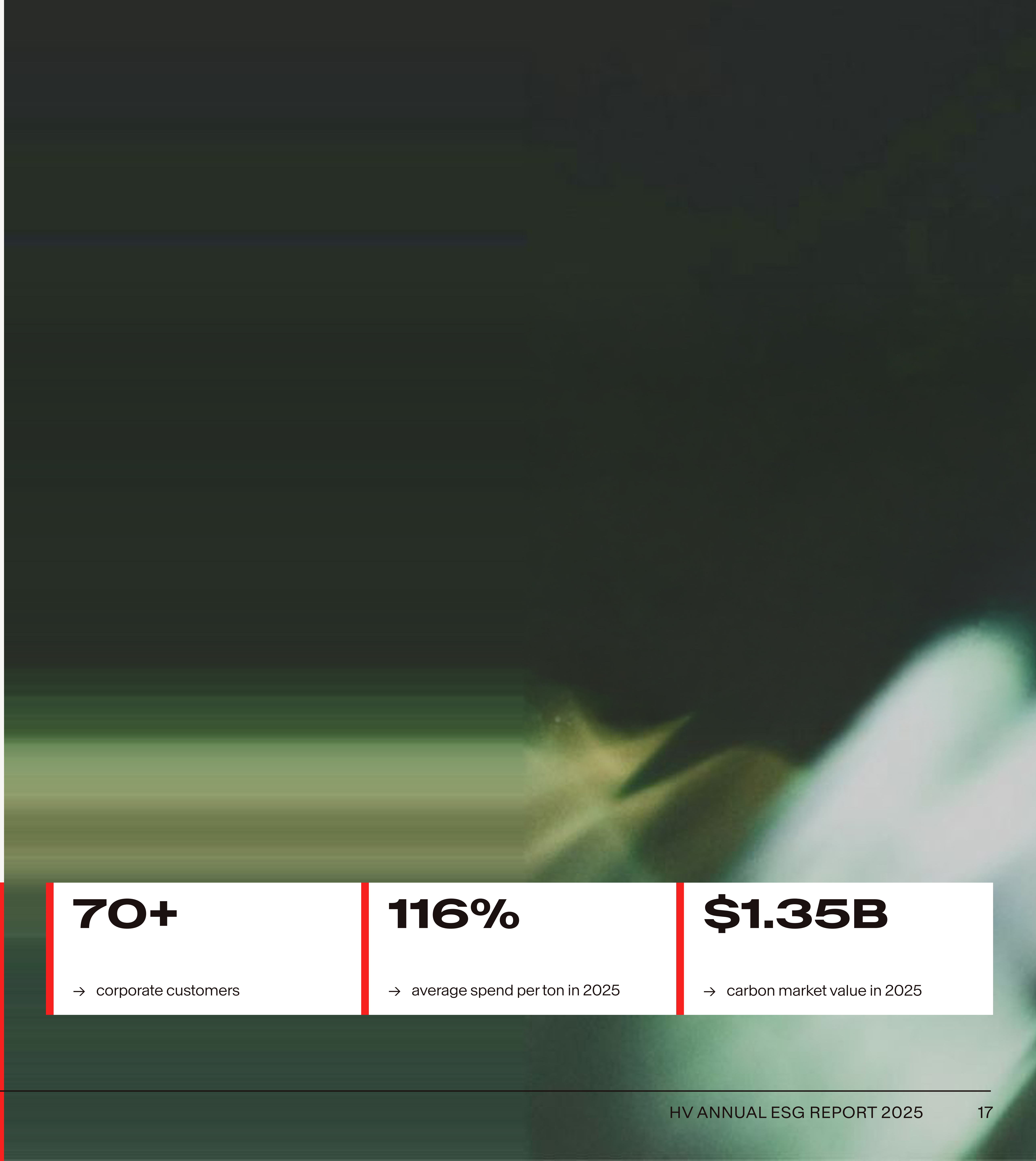
Corporate carbon procurement is becoming a strategic function. In 2025, total carbon market value surged 30% to $1.35B as buyers prioritised high-integrity credits; CDR sales hit a record $7.3B (3.7× YoY).

THE COMPANY

CEEZER is the platform built for that moment, giving enterprise buyers access to 10,000+ vetted projects, as well as global green energy and fuel assets, each risk-scored through its proprietary model, Prism. Their 70+ corporate customers include Deutsche Telekom, Lufthansa and Nasdaq.

"Enterprise buyers want quality, not just offsets. Prism makes that decision defensible."

Magnus Drewelies
CEO



70+
→ corporate customers

116%
→ average spend per ton in 2025

$1.35B
→ carbon market value in 2025

Our Commitment: Progressing Towards our ESG Goals

30% Climate Alignment

Goal: Invest 30% of the funds' capital in companies aligned with the EIF Climate Action & Environmental Sustainability (CA&ES*) criteria by the end of the funds' lifecycle.

→ HV Capital has invested 131 million Euros into CA&ES aligned companies.

Fund IX Ventures

35%

→ Of capital invested in companies aligned with CA&ES.

Fund IX Growth

17%

→ Of capital invested in companies aligned with CA&ES.

33% Female Leadership in The Portfolio

Goal: 33% of female representation in senior leadership across the funds' portfolio by the end of the funds' lifecycle.

→ Limited progress possibly explained in 2025 by portfolio-wide hiring slowdown. Tracking closely.

Fund IX Ventures

17%

→ Of the portfolio's leadership in 2025 was female.

Fund IX Growth

19,5%

→ Of the portfolio's leadership in 2025 was female.

* The European Investment Fund developed the CA&ES to define sustainable activities.

The Startup Org Is Being Redesigned in Real Time

THE HIRING SIGNAL HAS BROKEN

Across the portfolio, net hiring velocity was flat to negative for most of the year, even as companies grew and scope expanded.* Teams are running leaner not because they're struggling, but because the execution layer is moving to machines.

The exec search briefs have shifted. Founders now want judgment, AI literacy, and the ability to manage human-agent workflows at the VP/C level.

THE TALENT PIPELINE IS CHANGING SHAPE

AI is displacing early-career roles fastest in certain functions: customer service, finance, and operations, where juniors traditionally built foundational judgment.* The bigger risk: fewer juniors hired means fewer experts in the making, hollowing out the human depth needed to catch what AI gets wrong. HV raises this with founders as companies scale and hiring decisions become more consequential.

MOST COMPANIES ARE STILL ON CHAPTER ONE

Competency frameworks built for 2022 are already mispricing talent: output volume is decoupling from depth of judgment. Performance systems that reward polished output over the decision behind it will miscalibrate. The companies getting ahead are measuring how fast people learn and adapt. HV connects portfolio people leaders through the Talent Summit and peer roundtables to share what the rebuild looks like in practice.

"Every founder has spent the last months rethinking their org. The question now is how to design for a workforce that is part human, part agent."

Anna Ott

VP People

* Portfolio data: HV GetroJobs analysis, May 2025 – May 2026 (hiring velocity); HV job posting analysis, 1,820 postings across 97+ portfolio companies, June 2024 – June 2025 (displacement risk classified under OECD automation frameworks); HV portfolio survey (AI-enhanced roles).

Transparency and Performance: Monitoring Material KPIs

MATERIAL KPIS TRACKED

FOR ALL REPORTING COMPANIES

- → YoY progression of % of women at C-level
- → % of companies implementing an annual employee survey
- → YoY progression of % of companies implementing key policies

ADDITIONAL KPIS FOR LARGER COMPANIES

- → YoY progression of % of women in FTEs
- → YoY progression of % of companies implementing additional key policies
- → YoY progression of % of companies measuring GHG emissions

FUND VIII

2022

→ End of investment period

5

→ Years of data collection

>6,000

→ Data points collected

FUND IX VENTURES & GROWTH

2026

→ End of investment period

4

→ Years of data collection

>8,000

→ Data points collected

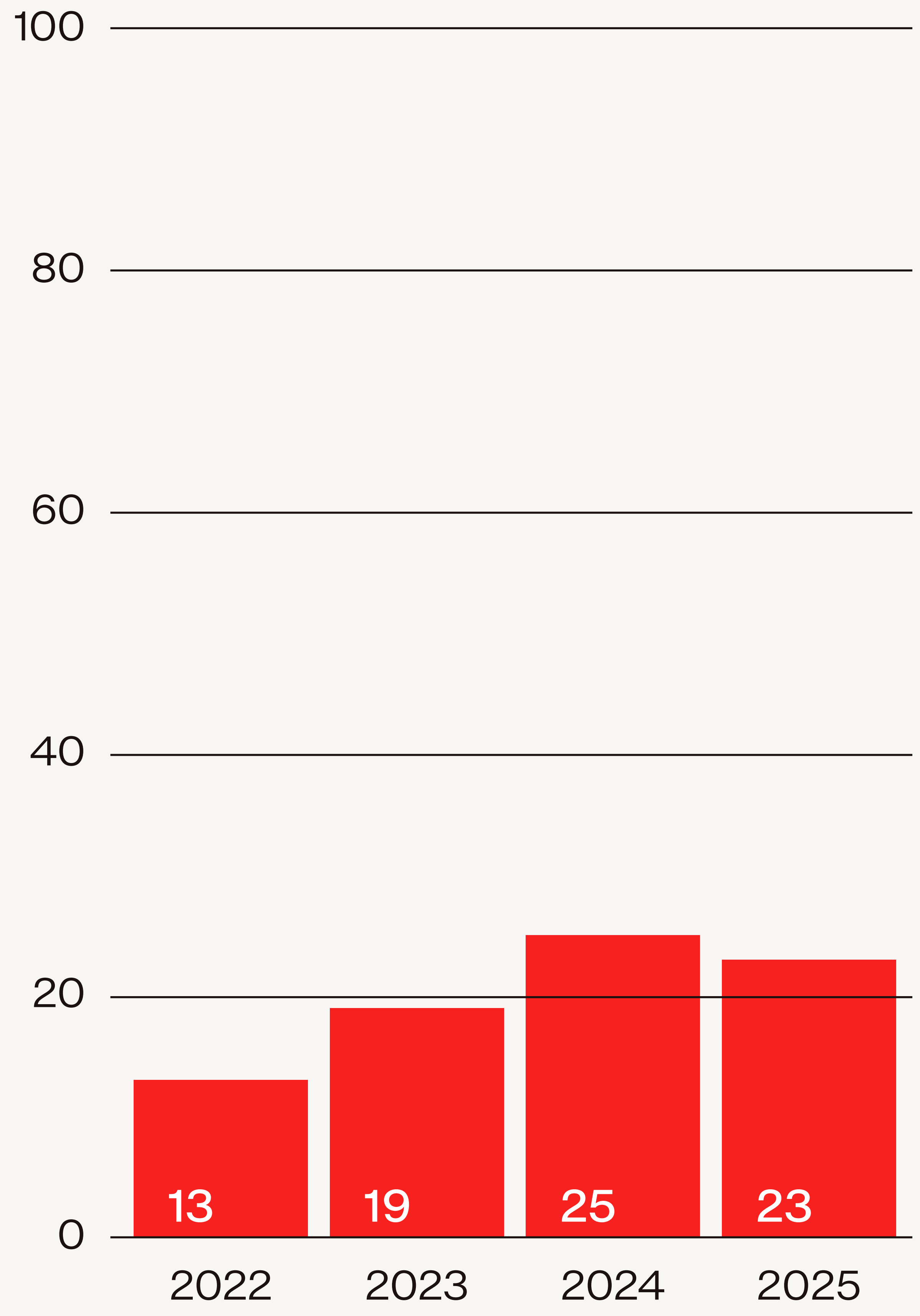
Note: figures on the following slides are calculated from the cohort of portfolio companies that responded to each question. Data is collected annually and completed by the portfolio on a best-effort basis. Response and completion rates vary from year to year.

Fund VIII (<250 FTEs): Strong Governance Maturity with Rising Disclosure Participation

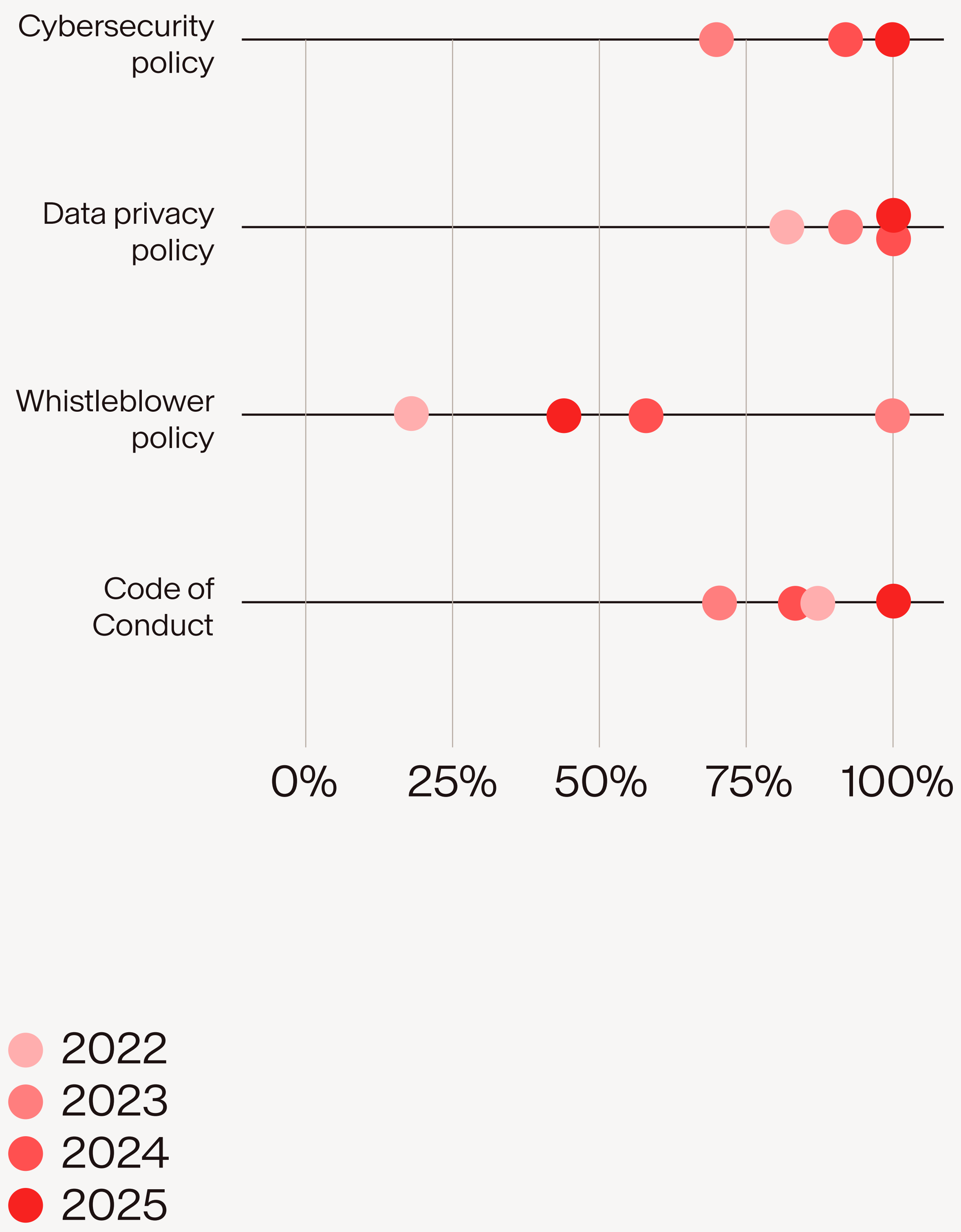
Governance fundamentals are well embedded, with year-on-year response and completion rates that have steadily improved, though not always consistently. 44% of portfolio companies having an AI policy in place marks it as an early-stage but increasingly important governance area to develop across the portfolio. Women at C-level rose to 23% in 2025, slightly ahead of the 20% German tech benchmark for senior roles, and the 26% unadjusted gender pay gap is in line with German tech (26%*). This reflects a seniority mix rather than unequal pay for comparable work.

YoY progression of women at C-level

in %



YoY PROGRESSION OF POLICY ADOPTION



91%

→ Companies with an employee survey

NEW THIS YEAR:

44%

→ Companies with an AI policy

26%

→ Unadjusted gender pay gap

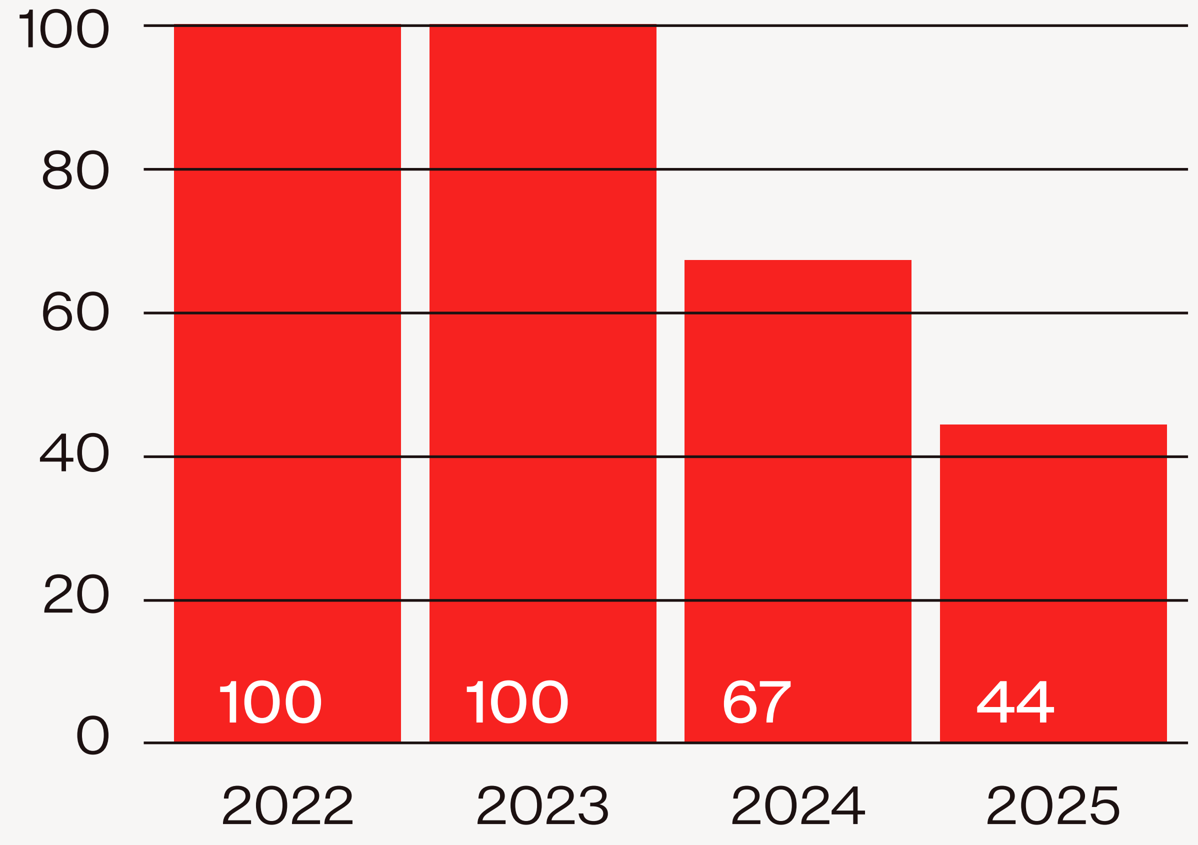
* Ravio, 2026 Compensation Trends Report, ravio.com/reports.

Fund VIII (>250 FTEs): Women in Leadership on a Slow but Steady Climb, AI Policy the Next Priority

By 2025, the full-questionnaire cohort has embedded its governance fundamentals, while the 3.5% unadjusted pay gap reflects larger, more structured organizations. The two genuine development areas are Responsible AI and GHG measurement . The latter's optical fall to 44.4% is a base effect from cohort expansion, not companies abandoning measurement. Female representation remains the slower-moving dial, so the agenda here shifts from establishing policy basics to climate accountability, AI governance, and senior-pipeline development.

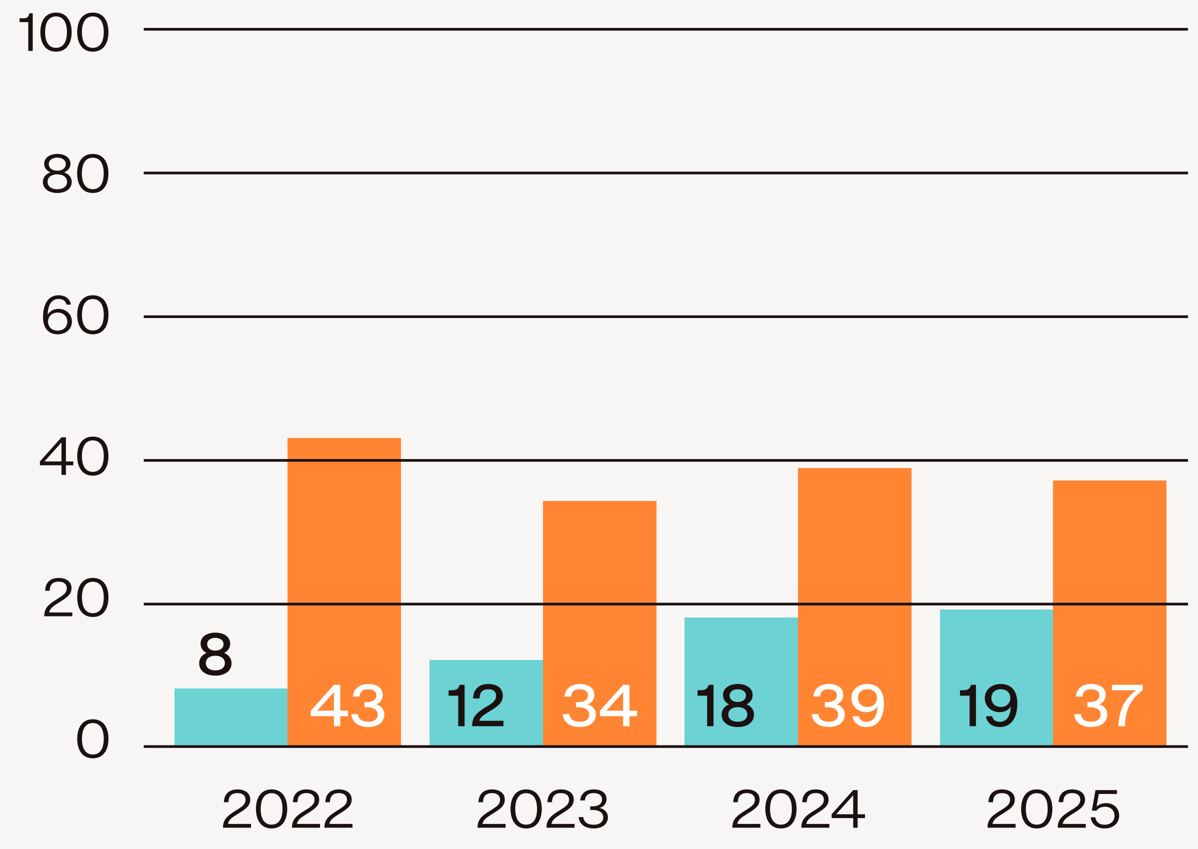
YoY companies measuring their carbon footprint

● in %

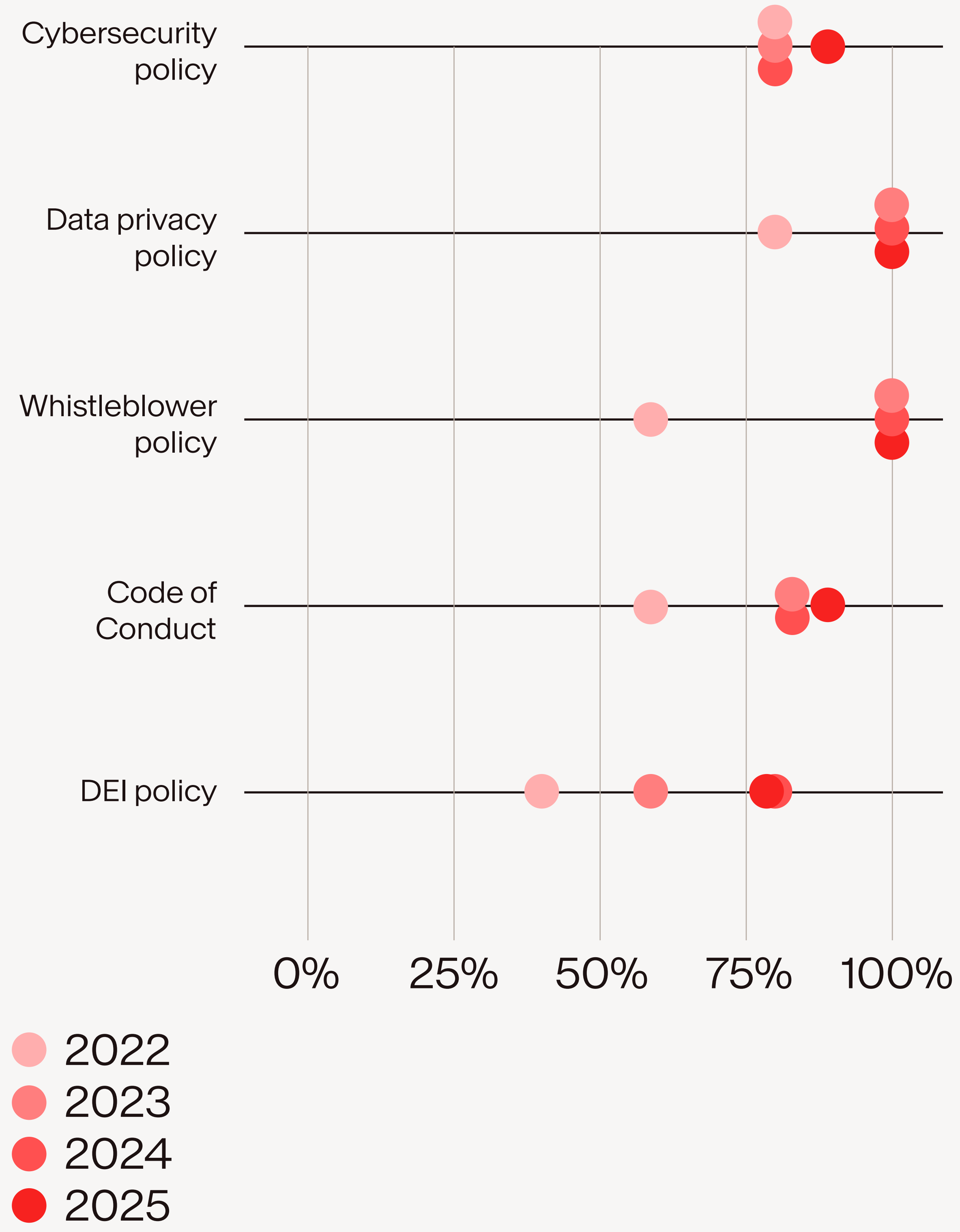


YoY progression of women in C-level & FTES

● C-level positions in %
● FTEs in %



YoY PROGRESSION OF POLICY ADOPTION



75%

→ Companies with an employee survey (2025)

NEW THIS YEAR:

14%

→ Companies with an AI policy

3.5%

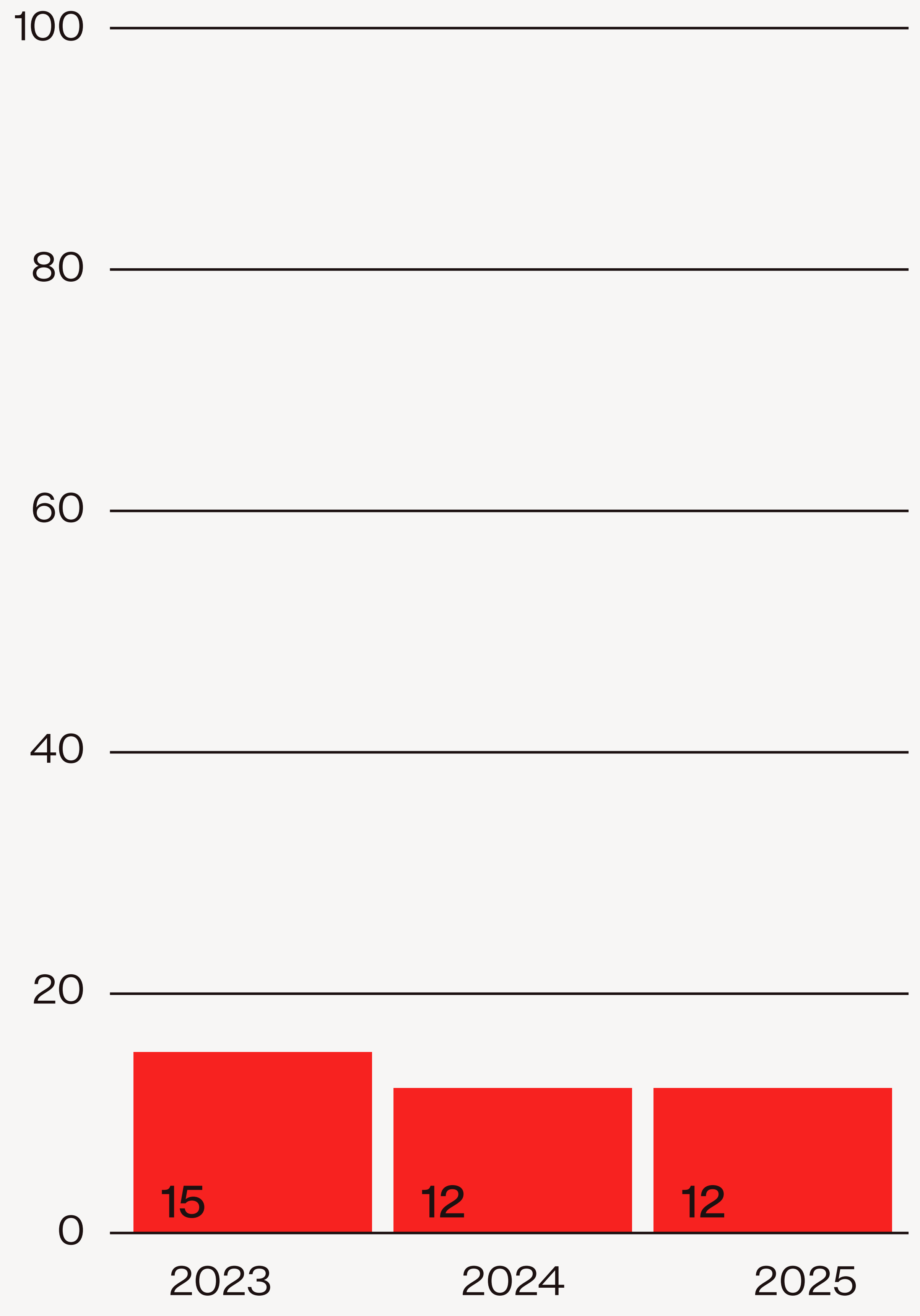
→ Unadjusted gender pay gap

Fund IX Ventures: Building Foundations in an Early-Stage Portfolio

As an early-stage portfolio, Fund IX Ventures is still building its governance foundations: policy adoption is rising but less consistently than in more mature funds, and reporting participation continues to broaden. 33% of companies now have an AI policy in place, marking an early but fast-emerging governance priority. Women at C-level held at 12% in 2025, below the more established Fund VIII, while the 9.4% unadjusted gender pay gap is comparatively low, reflecting the flatter seniority structures typical of younger companies rather than unequal pay for comparable work.

YoY progression of women at C-level

● in %



YoY PROGRESSION OF POLICY ADOPTION

52%

→ Companies with an employee survey

NEW THIS YEAR:

33%

→ Companies with an AI policy

9.4%

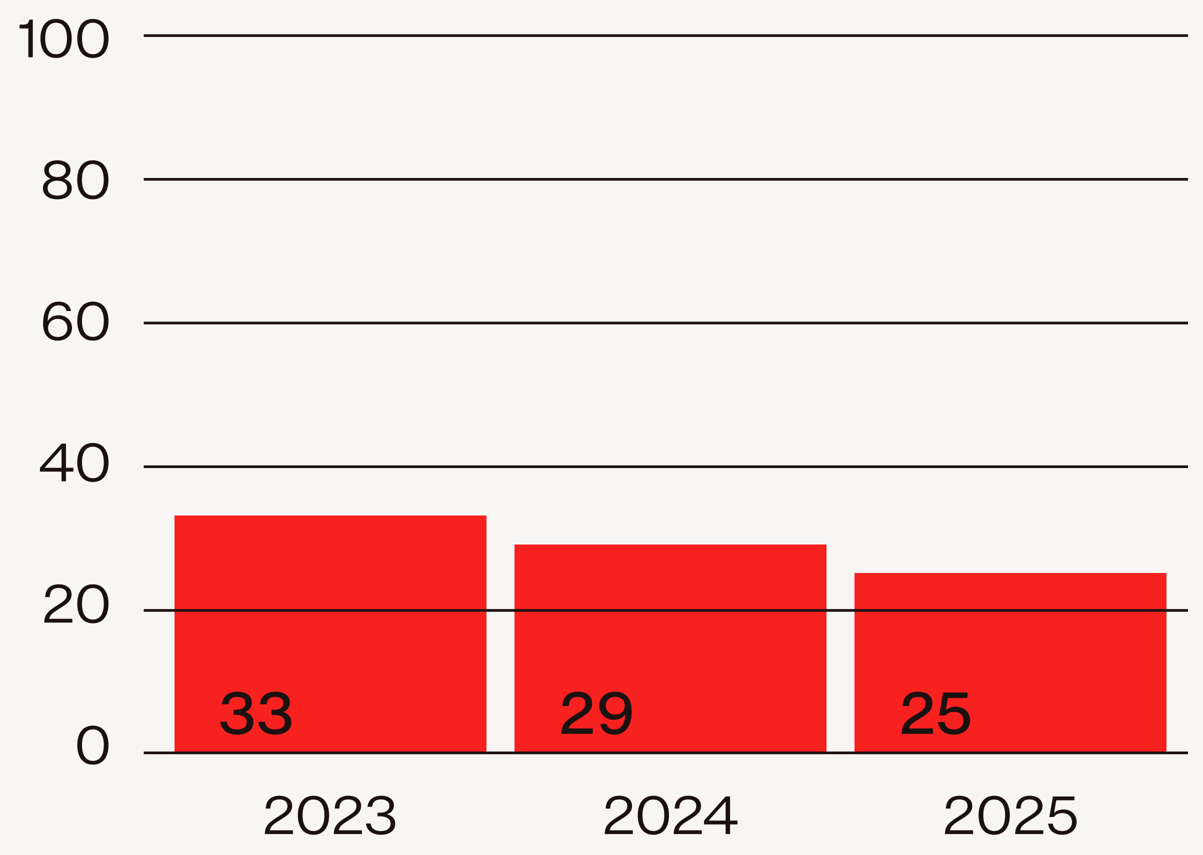
→ Unadjusted gender pay gap

Fund IX Growth: A New Cohort Strengthening Its Practice as It Scales

This is a fast-expanding portfolio, so the 2023 to 2025 declines are dilutions from newly added early-stage companies rather than genuine backsliding. Encouragingly, cybersecurity and data privacy adoption are already strong, while DEI policy is climbing steeply and Responsible AI is already in place, a sign that newer companies are addressing AI governance earlier. The clear priorities are GHG measurement and the senior-female pipeline, while the lower unadjusted pay gap should be read as a function of flatter, smaller organizations rather than outperformance on equity.

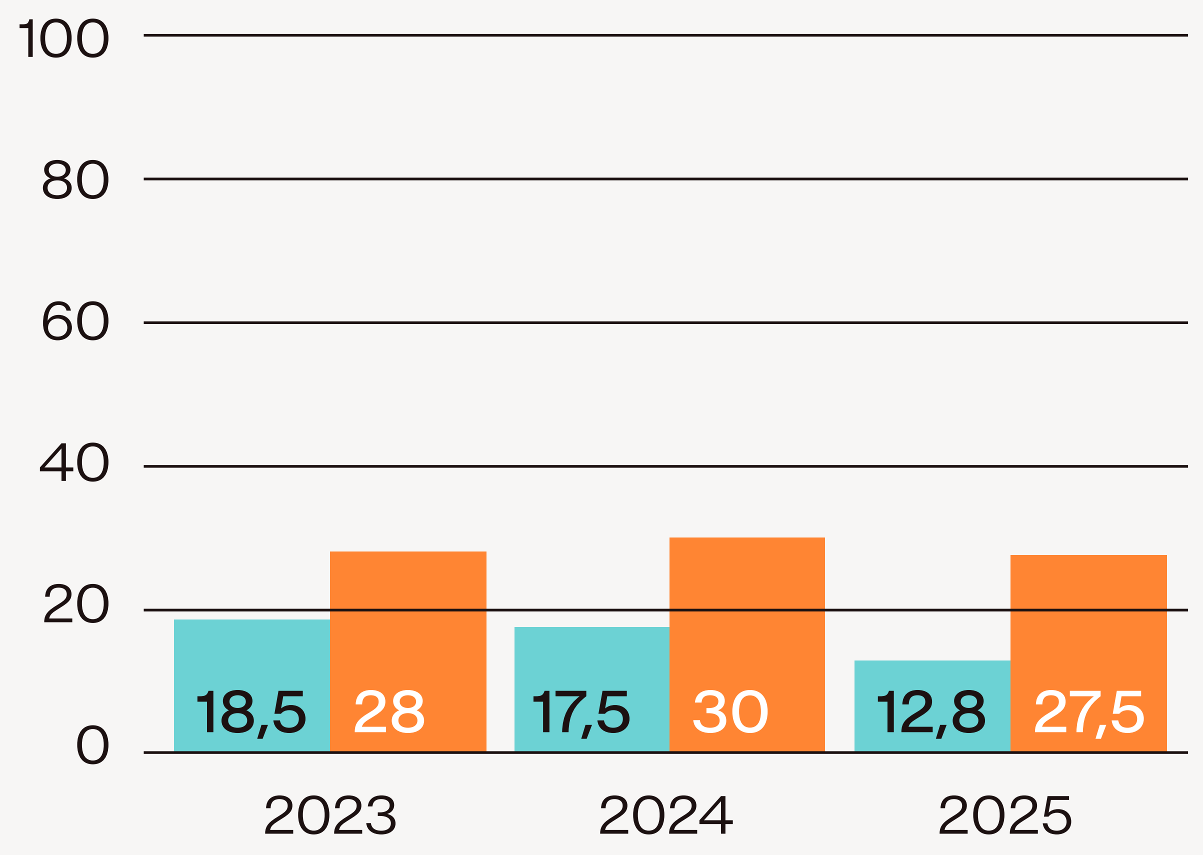
YoY companies measuring their carbon footprint

● in %

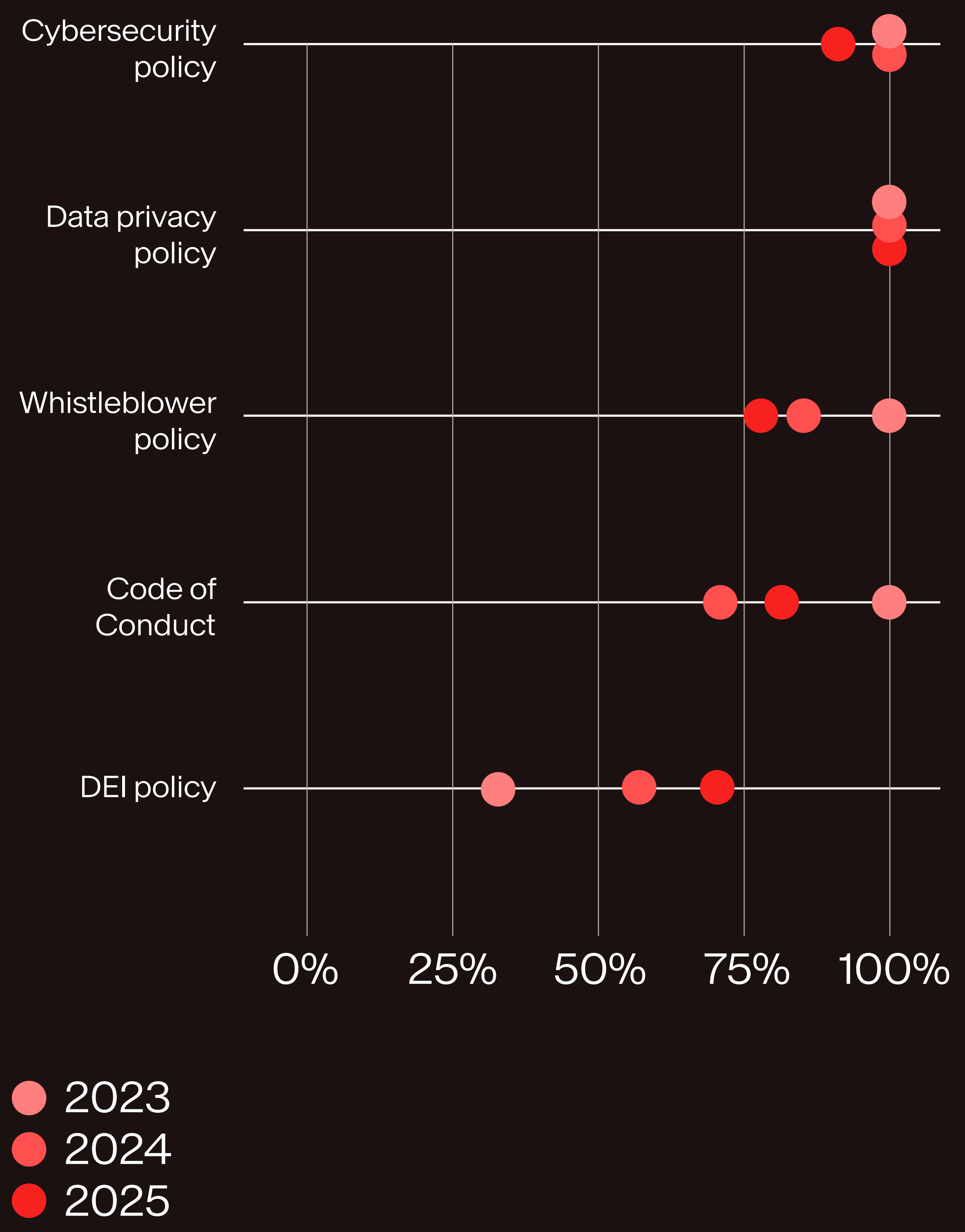


YoY progression of women in C-level & FTEs

● C-level positions in %
● FTEs in %



YoY PROGRESSION OF POLICY ADOPTION



81%

→ Companies with an employee survey (2025)

NEW THIS YEAR:

54,5%

→ Companies with an AI policy

14%

→ Unadjusted gender pay gap

HV

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