Butterfly

Butterfly Ventures Impact Report

ANNUAL OVERVIEW · TOP 10% NET IMPACT IN EVERY FUND

IMPACT AT A GLANCE

All three funds rank in the top 10% for net impact

+29%

Butterfly Venture Fund IV

Target +20%

+50%

Butterfly Venture Fund III

+44%

Northern Startup Fund

Rising with maturity
Delivered impact grows as companies commercialise, which is why older funds score higher.

Top decile
of 43,166 funds in Upright's public fund database

PORTFOLIO

~100
companies backed since 2013

€1B
portfolio market cap

€500M+
revenue generated by portfolio

€210M
financing raised by portfolio

60+
holdings assessed by Upright

Where our impact comes from

The fund creates most of its positive impact in societal infrastructure with companies such as **Retein** in water filtration, **CeLLife** in battery testing, and **VOOL** in EV charging. It also adds value to health and knowledge infrastructure.

On the negative side, early-stage tech companies rely heavily on highly educated specialists, which counts as a ‘scarce resource’. Almost every company producing a physical product uses energy and materials and creates waste, so some negative environmental impact is unavoidable.

MOST ALIGNED UN SDGS

8	Decent work and economic growth
9	Industry, innovation and infrastructure
11	Sustainable cities and communities

CARBON FOOTPRINT: 3398 tCO2e

INVESTMENTS SCREENED FOR IMPACT

23/23

INVESTMENTS WITH SOCIAL OR ENVIRONMENTAL CHARACTERISTICS

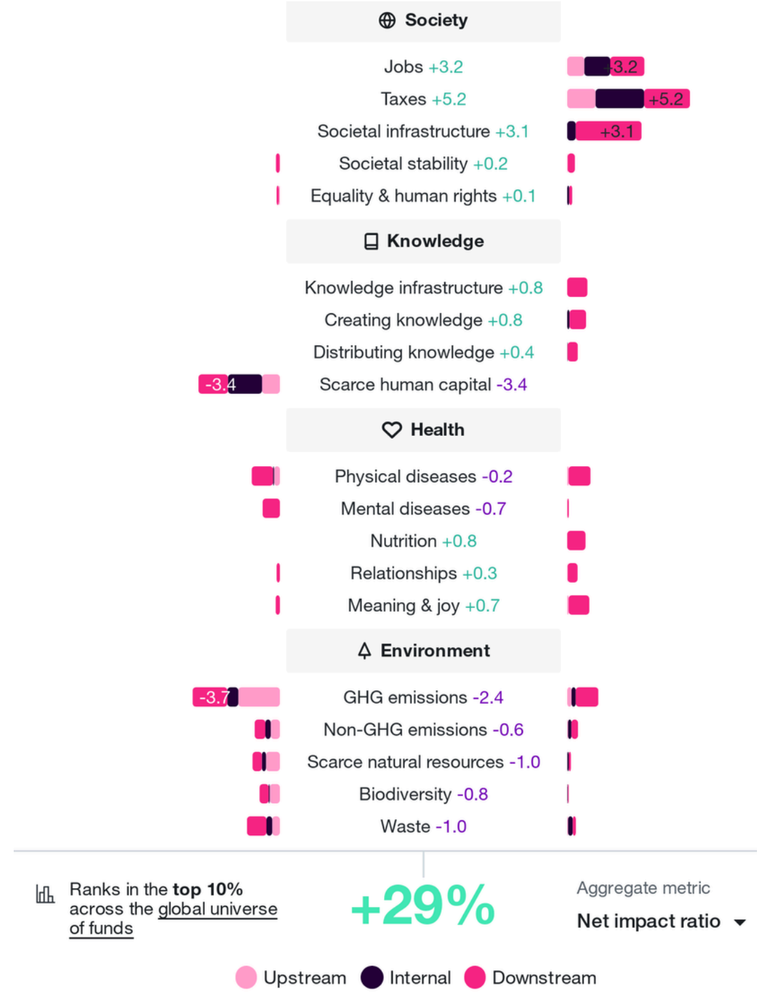
96%

TARGET VS. ACTUAL

+20 vs. +29%

EU TAXONOMY ALIGNED INVESTMENTS

52%



EU SFDR · ARTICLE 8

Impact screened before every investment

Fund IV invests only when at least one holds

01 Net impact ratio of +20% or higher today

02 +20% better than today's best alternatives

03 +20% or higher expected once scaled

04 Over 10% EU Taxonomy-aligned revenue, CapEx or OpEx

Do No Significant Harm

Non-negative overall impact, limits on environmental and social harm

Principal Adverse Impacts

Assessed by Upright before every first investment

Global standards

OECD Guidelines and UN Guiding Principles

Quarterly reporting

SFDR periodic reports published on butterfly.vc

> *Trends come and go but challenges like climate change and resource scarcity aren't going anywhere. That's why we believe lasting value is built by investing in companies that solve real problems.*

Liina Lehtonen, Principal and Head of Sustainability at Butterfly Ventures

Examples from portfolio

Butterfly Venture Fund IV: impact case studies

Three holdings with distinct positive impact stories: water infrastructure, clean mobility and nutrition

Retein

Aquaporin-based water and wastewater filtration systems.

+72% **Net impact ratio**
Top 4% of 18,745 companies

Net impact by dimension



Leading positive impacts

Societal infrastructure	+10.9
Waste	+4.4
Equality & human rights	+3.8

Main trade-offs

Scarce human capital	−2.9
GHG emissions	−1.9
Scarce natural resources	−0.1

Driven by

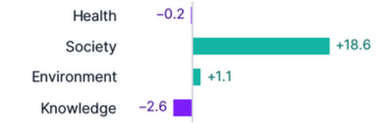
Drinking-water filtration; wastewater filtration for battery, semiconductor and healthcare production

Elonroad

Electric road systems and conductive charging for electric vehicles.

+61% **Net impact ratio**
Top 12% of 18,745 companies

Net impact by dimension



Leading positive impacts

Societal infrastructure	+11.4
GHG emissions	+3.2
Non-GHG emissions	+0.6

Main trade-offs

Scarce human capital	−2.6
Waste	−1.0
Biodiversity	−0.9

Driven by

Electric road systems; conductive rail charging equipment; charging-point software

Happy Plant Protein

Resource-efficient processing of plant-based protein isolates.

+64% **Net impact ratio**
Top 8% of 18,745 companies

Net impact by dimension



Leading positive impacts

Nutrition	+10.0
GHG emissions	+2.3
Creating knowledge	+1.4

Main trade-offs

Scarce human capital	−2.3
Waste	−1.4
Physical diseases	−1.0

Driven by

Process resource efficiency engineering for plant-based protein isolates

Values are net impact scores in cents of impact per dollar of revenue, not shares of a total. Taxes and jobs are left out of the leading positives because they are large for almost every company.

Rankings are against Upright's universe of 18,745 companies. Source: Upright's modelled net impact assessment, not company disclosures.

Governance & Responsible Business

This year we've introduced new policies that formalise the standards we hold ourselves to.

AI is now present in nearly every company we evaluate, whether as the core of the product or as an enabling technology. While creating significant opportunities, it also introduces risks that conventional due diligence may not fully capture. Our **AI policy** defines how we identify and manage these risks across two areas: our investment activities and our own operations.

Our new **code of conduct** defines the principles that guide how we work with founders, investors and each other. It applies to everyone at Butterfly Ventures and sets out the expectations on integrity, confidentiality and respectful conduct.

Alongside our AI policy and code of conduct, we follow a set of dedicated policies on ethics and integrity (anti-corruption and anti-bribery), people (human rights, diversity and inclusion, occupational health and safety), data (cybersecurity, data management and privacy) and responsible procurement across our supply chain.

DIVERSITY

Diversity in our portfolio and our own team

BUTTERFLY TEAM

8	4	38%	40%
Team members	Nationalities	Women, whole team	Women, partners

BUTTERFLY VENTURE FUND IV

Companies with at least one woman founder	35%
Women in management teams	21%
Women among all employees	22%

OVERALL REFLECTION

We have established a robust framework for integrating impact and sustainability throughout the investment process, from initial screening and due diligence to post-investment support, and we believe this approach strengthens both the impact and the long-term value of our portfolio.

Diversity remains our principal area for improvement, and broadening our pipeline to include more founders from underrepresented backgrounds is an objective for the coming year.