



Enabling Technologies to Net-Zero

2024

Annual ESG and Impact Report

cyclecapital.com

ABOUT THIS REPORT

This report presents our annual progress toward key social and environmental targets and priorities, based on activities and information as of December 31, 2024, unless otherwise stated. The information and views provided herein are thus based on matters as they exist as of the date of preparation and not as of any future date. This report also includes certain forward-looking statements that our management believes are reasonable at this time. However, they are not guaranteed of future performance and involves risks and uncertainties that are difficult to predict. Actual results may differ materially from what is expressed in or indicated by our statements in this report or from historical experience or present expectations. Certain disclosures are based on estimates and methodologies that are inherently uncertain and may evolve over time. Statements regarding GHG emissions reductions reflect potential outcomes based on ISO 14064-2 norm compliant methodologies provided by third-party providers and information provided by portfolio companies. These estimates are illustrative and depend on the accuracy and consistency of third-party input data, not actual deployments. Stakeholder views and methods related to climate performance may vary, and interpretations of long-term impact remain subject to ongoing debate and refinement.

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TABLE OF CONTENTS

01	IMPACT AT CYCLE CAPITAL – AN OVERVIEW OF OUR VISION AROUND IMPACT AND ITS APPLICATION IN OUR INVESTMENT DECISIONS	07
02	INVESTING WITH PURPOSE – STORIES AND IMPACT OUTCOMES FROM OUR PORTFOLIO COMPANIES	12
03	A GROWING ECOSYSTEM – HIGHLIGHTS FROM OUR LEADING CLIMATE TECH PLATFORM	21
04	LESSONS LEARNED – WE REFLECT AND CONTINUE TO IMPROVE ON OUR IMPACT IDENTIFICATION, MEASUREMENT, AND ASSESSMENTS	28

MESSAGE FROM OUR FOUNDER AND MANAGING PARTNERS



Andrée-Lise Méthot, O.Q., Founder & Managing Partner, Claude Vachet, Managing Partner

As we reflect on the past year, one thing is clear: the momentum behind ClimateTech has never been stronger — or more necessary. At Cycle Capital, we believe that climate innovation is not just a moral imperative, but one of the greatest economic opportunities of our time. This belief drives everything we do.

In the past few years, our funds and portfolio expanded across key verticals — we increased our focus on next-generation energy systems, power electronics and photonics, to circular innovation and water technologies. We backed founders who aren't just building companies but shifting paradigms. They are scientists, engineers, and entrepreneurs with the courage to challenge entrenched systems and the grit to scale breakthrough solutions.

This report highlights not only key milestones, but also the tangible impact our companies are creating megatons of CO₂ avoided, new jobs in the green economy, and technologies scaling and commercializing at unprecedented speed.

We are deeply grateful for the trust and vision of our LPs, and for the collaboration of co-investors and strategic partners. Venture capital plays a pivotal role in bridging the gap between innovation and deployment — and we take that responsibility seriously.

Looking ahead, our conviction is stronger than ever. Climate solutions must scale rapidly, and we intend to be at the forefront — investing with discipline, supporting founders with insights and network, and always aligning returns with long-term planetary resilience.

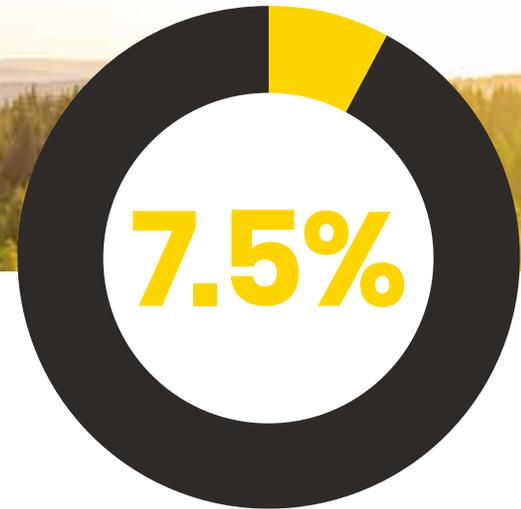
Thank you for being part of this journey.

Andrée-Lise and Claude

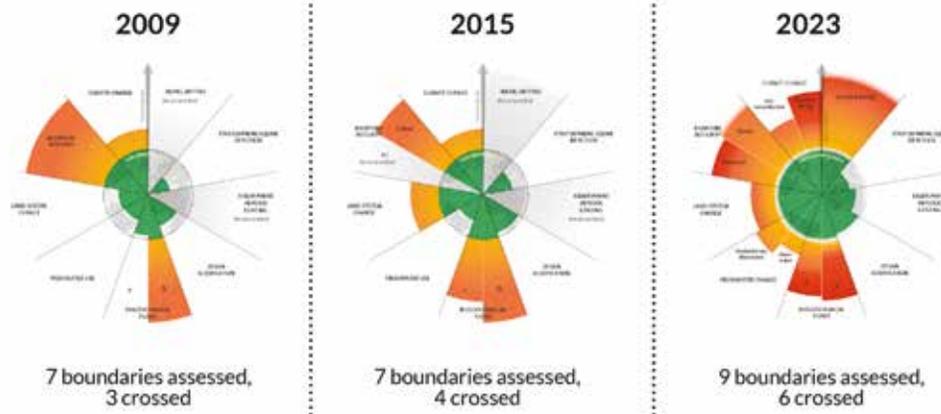
“ The good news is that there has never been a better time to invest in climate change solutions. ”

04 CHANGING THE WAY WE DO BUSINESS HAS BECOME A PLANETARY URGENCY

In 2024, the urgency of addressing the climate crisis reached a critical point, with humanity now exceeding six of the nine key planetary boundaries—most notably in the areas of climate change and biodiversity loss—thereby posing an existential threat to the planet’s stability. Despite this alarming reality, only a small fraction of global venture capital (VC) is currently allocated to climate solutions. As a climate-focused VC firm, we are deeply committed to accelerating the development and deployment of technologies that reduce greenhouse gas emissions (GHG) and advance the use of sustainable resources. Through our investments, we aim to catalyze meaningful progress toward a more resilient and sustainable future.



MORE PLANETARY BOUNDARIES ARE CROSSED EVERY YEAR... YET INVESTMENTS IN CLIMATE TECH HAVE SLOWED DOWN



Only **7.5% of the VC and private equity investments** in 2024 have been involved in climate-focused or sustainability-driven innovations.

ClimateTech’s share of total VC and private equity investments dropped from 9.9% to 8.3%, underscoring the impact of tightening financial conditions on green innovation.

Funding for ClimateTech start-ups has decreased since its peak three years ago, with a 29% drop in capital from \$79 billion to \$56 billion between 2023 and 2024. This is partly due to higher borrowing costs and economic uncertainty.

OUR ANSWER: BUILD A LEADING CLIMATE TECH PLATFORM AND 2024 HIGHLIGHTS



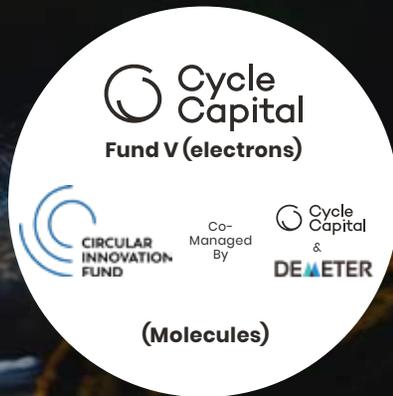
ClimateTech Platform 1.0



ClimateTech Platform 2.0



ClimateTech Platform 3.0



Sponsored by BloombergNEF

2024 HIGHLIGHTS

2 NEW FUNDS CLOSED

We are pleased to announce Fund V and watertech fund Cycle H₂O.

- **Fund V** focuses on enabling electron-based technologies—like Edge AI, Algorithms & Data, Microelectronics, Photonics & Power electronics, IoT & Sensors and Energy Conversion, Electrification & Storage Technologies—with the highest impact potential.

- **Cycle H₂O** targets innovative watertech solutions to address the global challenge of water scarcity.

1 new matching program: Part of Cycle Momentum, the Origo Program matches investments for Québec entrepreneurs developing ClimateTech solutions.

\$350M CAPITAL TO IMPACT

Amount of capital and funds raised allocated to impact across our platform.

\$52M TOTAL INVESTED

Since January 2024.

2 NEW INVESTMENTS

We completed Fund V first investment in Sonocharge through a \$23.5M financing round with participation from Honda, Khosla Ventures, Temasek and non-dilutive funding. The Circular Innovation Fund (CIF) also continued its progress leading a CAD\$ 17.6M round in Watttron.

06 OUR ACHIEVEMENTS ARE DRIVEN BY OUR VISION, MISSION AND VALUES

At Cycle Capital, our goal is to help tackle the most important environmental challenges and promote equity in society through what we do.

VISION

We are financial entrepreneurs driven by ambition and purpose. Guided by a bold vision, we pursue transformative opportunities with discipline and determination. In this pursuit, we strive to inspire our partners and collaborators to think beyond boundaries, embrace bold ideas, and exceed their own expectations.

MISSION

We empower entrepreneurs, investors and companies to scale innovative solutions to the major ecological challenges facing humanity.

VALUES

Integrity

We act with honesty, transparency, and accountability in all that we do. Our decisions are grounded in principle, and we uphold the highest ethical standards without compromise.

Diligence

We approach our work with precision, care, and unwavering attention to detail. Our commitment to excellence ensures that we meet our responsibilities with rigor and reliability.

Enduring Commitment

We are deeply committed to our mission and the long-term success of our stakeholders. With resilience and resourcefulness, we remain steadfast—navigating challenges with persistence and purpose.



01

IMPACT AT CYCLE CAPITAL

AN OVERVIEW OF OUR VISION
AROUND IMPACT AND ITS
APPLICATION IN OUR INVESTMENT
DECISIONS

08 OUR IMPACT THESIS AND HOW WE ASSESS IMPACTFUL RETURNS

IMPACT THESIS

At Cycle Capital, we deploy capital to empower entrepreneurs and investors to scale innovative solutions to the world's most pressing environmental challenges. We invest exclusively in companies with the potential for systemic impact, driven by innovation and long-term value for all stakeholders.

Key Evaluation Criteria

Additionality: We analyze if a project will yield a positive effect that would not have been achieved otherwise.

Double Materiality: We invest based on an investment's financial materiality and impact materiality.

Science First: We assess if the company can scientifically prove it has the impact it claims to have.

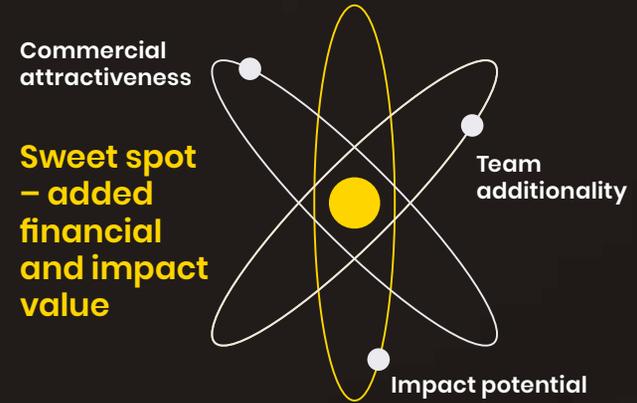
Permanence: We ensure the company will be able to achieve long-lasting impact.

Systemic Effect: We evaluate if the company can be scaled up and if its impact can be amplified.

Risk Mitigation: We address the investments potential adverse risk associated with its implementation.

HOW WE ASSESS IMPACTFUL RETURNS

We believe that meaningful impact and commercial success go hand in hand. Above all, we invest in people. That's why we seek to partner with bold, mission-driven teams who are tackling challenges of critical importance to society.



OUR IMPACT EQUATION

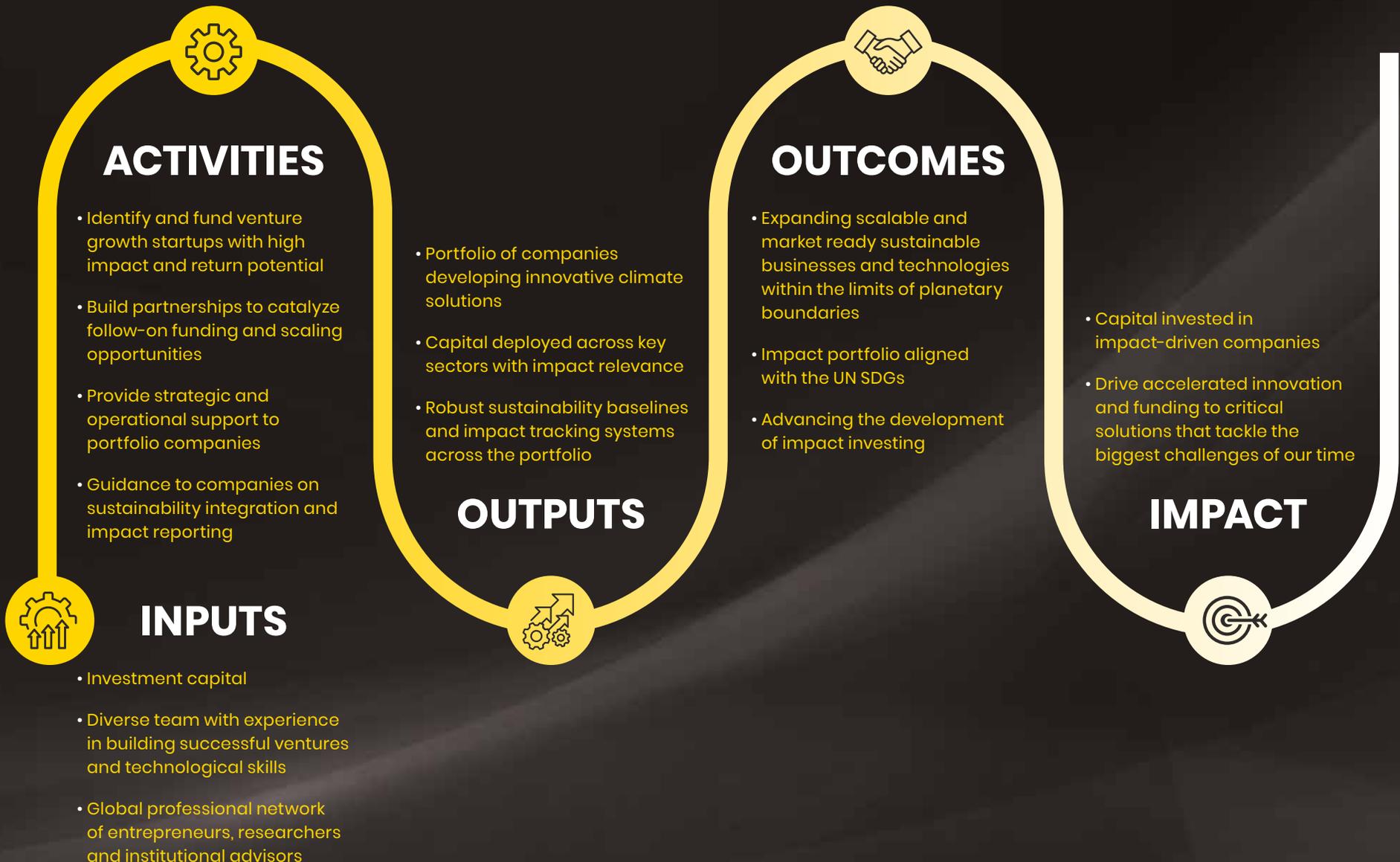


We Identify Two Deep-Tech Impact Types

Direct Impact: New low- or zero- carbon technologies that either introduce new process or product innovations with high market potential, or that make existing established technologies rapidly obsolete.

Enabling Impact: Economic activity that directly enables other activities to make a substantial contribution to one or more environmental objectives.

OUR ACTIONS ALWAYS ALIGN WITH THE THEORY OF CHANGE



10 METHODOLOGY: WE ARE MEASURING AND INTEGRATING IMPACT AT EACH STAGE OF THE INVESTMENT PROCESS

Our impact measurement starts before we make an investment. We follow four key phases for our impact investing cycle and portfolio construction: strategy setting, sourcing & due diligence, investment management and exit.

Exit

- Consider the likelihood that a portfolio company can sustain impact after exit
- Assess the aggregate impact and financial result of a given investment

Investment Management

- Engage with portfolio companies to ensure they prioritize sustainability in their operations while refining and scaling impact-driven initiatives
- Regularly tracking and measuring impact goals using tools and frameworks like the Impact Management Project (IMP) and GIIIN's IRIS+
- Provide an annual impact report, where portfolio companies share their progress on pre-defined impact metrics



Strategy Setting

- Setting clear impact goals alongside financial milestones (double materiality)
- Assess tolerance for impact and financial risks

Sourcing and Due Diligence

- Identify the scale of the problem the company addresses (e.g. energy consumption, carbon emissions)
- The degree of innovation and effectiveness of the solution
- The potential for systemic change

LEADERSHIP IN IMPACT & IMPACT IN OUR INTERNAL OPERATIONS

LEADERSHIP IN IMPACT

Signatories of:



Circular Innovation Fund compliant with:



Impact assessment framework:



Members of:



IMPACT IN CYCLE CAPITAL INTERNAL OPERATIONS



Leadership Team



Total Workforce



Investment Team

207,318 KM
TRAVELLED BY FLIGHT

Business Travel

21.68 tCO₂e
100% OFFSETTED

Total GHG emissions in 2024

99%
OF TOTAL GHG EMISSIONS

Business Travel

1%
OF TOTAL GHG EMISSIONS

Energy Consumption

- Drafted our first internal ESG policy with a focus on Sustainable Procurement, Diversity and Inclusion, Employee Well-being and Development.
- We calculate the GHG emissions associated with our operations and offset them by investing in two of Planetair's Gold Standard-certified projects.





02

STORIES FROM OUR PORTFOLIO COMPANIES

AN OVERVIEW OF THE IMPACT OF OUR
PORTFOLIO COMPANIES

IMPACT OVERVIEW OF FUND IV AND FUND V PORTFOLIO

Fund IV



Fund V

First investment focused on green electrons



IN OUR PORTFOLIO COMPANIES

100%

have a strong environmental impact thesis

Investment Committee Fund IV

**50% MALE
50% FEMALE**

100%

contribute to one or more SDGs

Investment Committee Fund V

**50% MALE
50% FEMALE**

56%

have at least one woman on their boards

GHG assessment for Fund IV

7,590 tCO₂e

Total GHG emissions from Fund IV companies in 2024

78%

with at least one woman in management team

67%

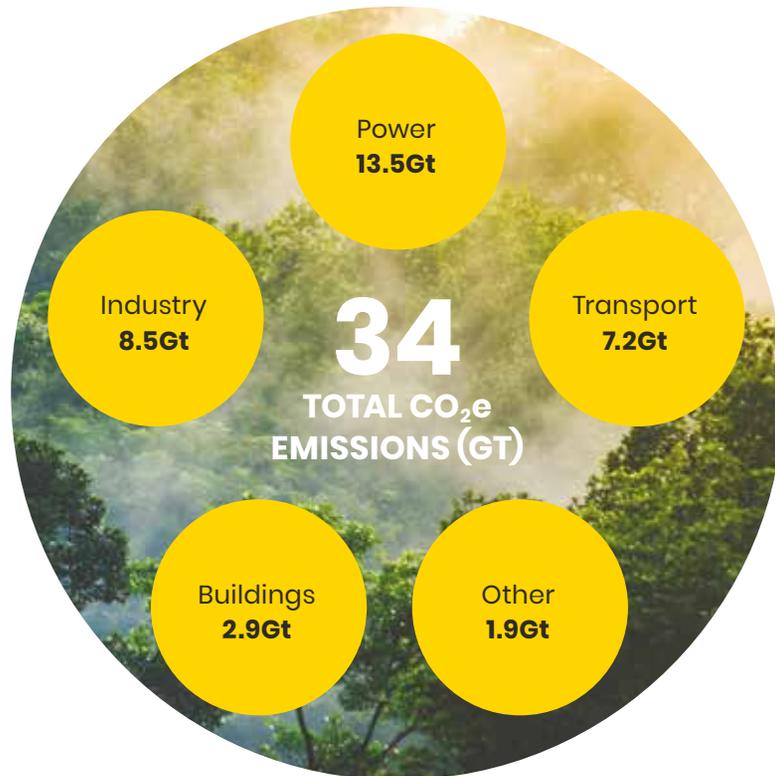
with at least one independent board member

61,050 tCO₂e

avoided in 2024

14 INTRODUCING FUND V

MOST EMISSIVE SECTORS



FUND V INVESTMENT THESIS

Fund V aims to invest in the four sectors that will shape the net-zero transition, through enabling technologies with the highest impact potential.

Sectors

- Industrialization Decarbonization & Digitalization
- Smart Cities & Buildings
- Sustainable Transportation
- Energy Transition

Technologies

- **Edge AI, Algorithms & Data** - AI applications could reduce global industrial emissions by **up to 20% by 2030**.
- **Microelectronics, Photonics & Power Electronics** - Advancements in LEDs and power electronics could cut global electricity demand **by 2,000 TWh by 2050** - equivalent to half of current U.S. consumption.
- **IoT & Sensors** - Smart building technologies, including sensors, can reduce energy consumption in buildings by **10-20%**.
- **Energy Conversion, Electrification & Storage Technologies** - Electrifying industrial processes, coupled with renewable energy adoption and efficient energy conversion technologies, could potentially reduce industrial emissions by **up to 40% by 2050**.

Impact Tied Carried Interest

We have taken the decision to walk the talk by tying up 10% of our GP's carried interest in 3 Impact KPIs established in our term sheets to ensure alignment towards our impact goals.

SONOCHARGE – POWERING LONG-TERM SUSTAINABILITY WITH BATTERY INNOVATIONS



Cycle Capital is proud to announce its first investment in Fund V with Sonocharge, a California-based company developing transformative battery technologies. Sonocharge’s mission—making batteries last longer, charge faster, and operate more safely—have far-reaching implications for the green revolution. By enhancing energy storage, the technology enables more effective use of renewable energy and accelerates the adoption of electric vehicles. This investment reflects Cycle Capital’s commitment to supporting solutions that drive systemic environmental change, helping to accelerate the global transition to a cleaner, more sustainable future.



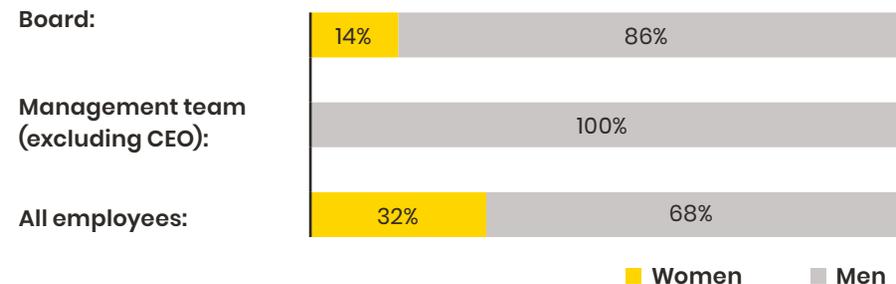
Challenge

As the adoption of electric vehicles grows, the need for widespread and sustainable EV charging infrastructure becomes critical. There is a growing need to create reliable and long-lasting technologies in the EV industry and especially to improve performance and increase the lifetime of the batteries.

Impact Thesis

Sonocharge is developing and implementing surface acoustic wave technology to extend the lifespan of batteries. In collaboration with its partners, the company is also creating techniques to rejuvenate cells by restoring electrolytes and lithium inventory, enhanced by this advanced technology. This approach offers a fast, non-destructive method to improve battery performance and longevity while maintaining the value of the original cell manufacturing, addressing the industry’s need for higher power density and advanced energy applications. In 2024, there was not enough information to track the company’s avoided emissions and it will start to be reported in 2025.

Diversity Metrics



Female CEO

Date of investment : August 2024
Headquarters : Mountain View, California, USA
IRIS+ sector : Energy
Type of contribution : Direct Impact

SDGs

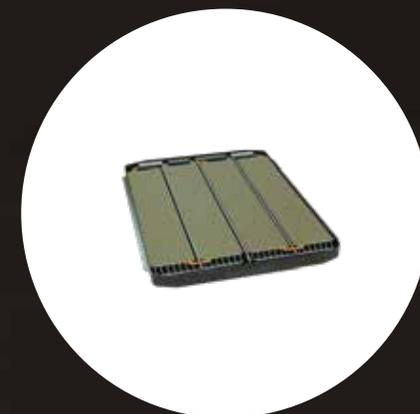


16 SPOTLIGHT – IMPACT CASE STUDY FOR SONOCHARGE

In January 2025, Cycle Capital led a \$23.5M financing round with participation of Honda Ventures, Khosha Ventures, Temasek and non-dilutive funding partners. Sonocharge Energy is an exemplary case of how technology can facilitate electrification by improving performance and scale its deployment.

Sonocharge's innovative technology is helping commercialize and improve the performance of Li-Ion batteries and increases their lifecycle by 2 to 5x. It is also estimated that this technology can lead to an approximately 40-50%* reduction in GHG emissions when compared to other technologies currently present on the market. The cost and impact benefits of the technology are also expected to hasten EV adoption, creating a systemic effect in decarbonizing the transportation system, while improving the GHG emission profile of a variety of sectors due to its cross-sector application. Thus, creating a green alternative to the current status quo.

"We are pleased to see Cycle Capital and Honda join our current investor syndicate." said An Huang, CEO of Sonocharge Energy. "We're grateful to be supported by such a strong group of investors that bring invaluable resources, experience, and commercial partnerships crucial to scaling our company. This funding will enable us to advance core R&D, and work closely with our customers to optimize for their specific use case and prepare for manufacturing."



* Based on independent study performed on Sonocharge's LFP and NMC811 Li-Ion batteries

MYSA – UNLOCKING SMART ENERGY CONTROL FOR EVERY HOME AND BUILDING



Mysa develops smart thermostats for electric heating and cooling systems, including baseboard and in-floor heating, filling a gap in traditional smart home tech. Features include app-based remote control, scheduling, geofencing, and real-time energy tracking. Mysa helps reduce utility costs and GHG emissions while supporting electrification across North America. The company partners with utility companies such as Hydro-Québec (Hilo), Hydro One (myEnergy Rewards), BC Hydro (Peak Saver), and Seattle City Light through demand response (DR) programs. These initiatives aim to lower electricity use during peak periods and reward homeowners for participating in energy-saving events, promoting a cleaner, more efficient energy system.



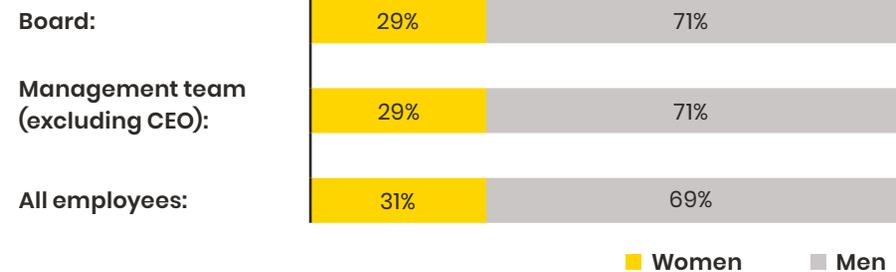
Challenge

Most residential electric heating systems are still manually controlled, and high-voltage systems like electric baseboards are typically incompatible with standard smart thermostats. This disconnect often results in a lack of energy tracking and increased energy waste.

Impact Thesis

Mysa enables energy savings and efficiency at the home level from the use of smart thermostats designed for electric heating and AC, indirectly avoiding GHG emissions due to the reduction in energy consumption. According to a study made by the company covering 138 customer utility bills, Mysa Smart Thermostat helped reduce between 12%-17% of the overall electric energy usage for the majority of homes, equaling about 475 to 750 kWh/year per home. As such, in 2024 the avoided emissions for the company were 25,161 tCO₂e.

Diversity Metrics



Date of investment : October 2021

Headquarters : St. John's, Newfoundland, Canada

IRIS+ sector : Energy

Type of contribution : Enable Impact

SDGs



18 VUEREAL – DRIVING SUSTAINABLE INDUSTRIAL INNOVATION, ONE MICROLED AT A TIME



VueReal is developing, and commercializing a manufacturing platform that enables efficient, cost-effective, and scalable production and integration of micro- and nano- LED devices. The company's proprietary technology transfers and integrates millions of MicroLEDs while maintaining high yields, high throughput and reducing the transfer cost for MicroLED display applications. MicroLED technology is a self-emissive display solution offering pixel-level control, ultra-low power consumption, and high flexibility. It eliminates the need for a backlight or encapsulation, supports wide viewing angles, and enables slim, scalable designs, from compact devices to large-format displays.



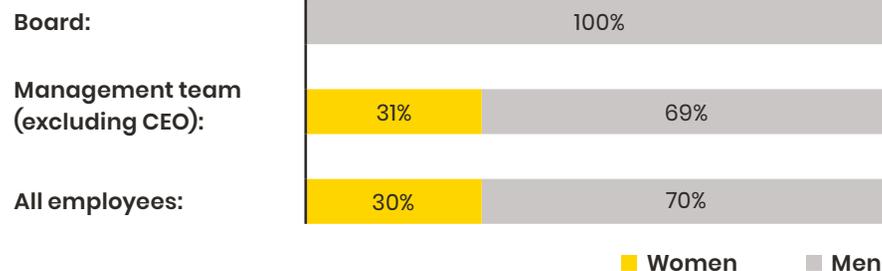
Challenge

Demand for high-performance displays is growing across sectors as products increasingly require advanced features and smart capabilities. Traditional display technologies, however, fall short in meeting performance, energy efficiency, and form factor requirements of next-generation applications in electric vehicles, telecommunications, and wearables. MicroLED technology offers a breakthrough solution, combining superior brightness, efficiency, and durability to meet these evolving needs. However, for microLED to scale and reach widespread adoption, energy-efficient, low-cost, and scalable manufacturing processes are essential.

Impact Thesis

VueReal has developed a manufacturing platform that enables efficient, cost-effective, and scalable production and integration of micro- and nano-LED devices. Applying VueReal's technology in displays delivers multiple benefits: devices equipped with microLED displays consume significantly less energy than those with traditional screens extending battery life of devices, while the manufacturing process itself requires less energy, water, and chemicals—resulting in a 36% to 39% reduction in GHG emissions compared to other microLED manufacturing methods. As such, in 2024 the company's avoided emissions were 39 tCO₂e.

Diversity Metrics



Date of investment : April 2022
Headquarters : Waterloo, Ontario, Canada
IRIS+ sector : Energy
Type of contribution : Direct Impact



PREVU3D – DRIVING SYSTEMIC CHANGE TOWARDS SMARTER AND GREENER MANUFACTURING PRACTICES



Prevu3D uses algorithms and data to optimize construction design processes. Their platform analyzes complex datasets to create more efficient models, helping to reduce waste, enhance project visualization, and streamline resource management. By leveraging advanced algorithms, Prevu3D supports more sustainable construction practices by minimizing material overuse and improving the accuracy of design and execution, ultimately contributing to a more sustainable built environment. This innovative approach offers a more sustainable alternative to traditional methods, which are often resource-intensive and inefficient. By supporting Prevu3D, Cycle Capital is investing in a solution that drives systemic change toward smarter and greener manufacturing practices.



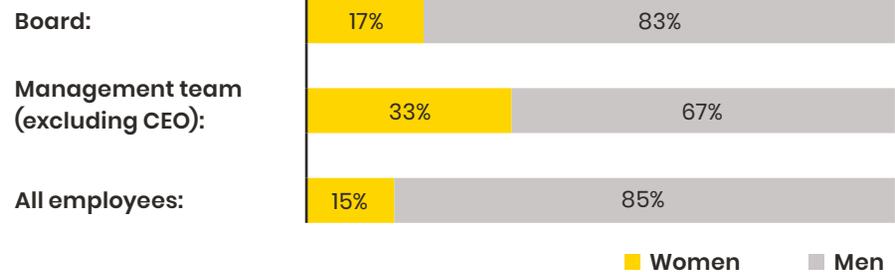
Challenge

Assessment of brownfield projects face significant inefficiencies, with traditional methods often leading to excessive material waste, inaccurate designs, and poor resource management. These issues not only increase costs but also contribute to environmental harm, making construction one of the most resource-intensive sectors. The lack of optimization in design and execution exacerbates these problems, leading to unsustainable practices that impact both the economy and the environment.

Impact Thesis

Prevu3D is enabling the sustainable transformation of large industrial facilities. Many of these facilities, built over the past century and still in operation, require urgent upgrades to meet greenhouse gas (GHG) reduction targets and advance toward long-term net-zero goals. By providing digital solutions that streamline modernization efforts, Prevu3D accelerates emissions reductions, offering a faster path to impact compared to relying solely on the development of new greenfield industrial and energy projects, while producing less waste and helping to drastically reduce business travel. As such, in 2024 the company's avoided emissions were 6,919 tCO₂e.

Diversity Metrics



Date of investment : February 2023
Headquarters : Montreal, Québec, Canada
IRIS+ sector : Pollution, Energy
Type of contribution : Enable Impact

SDGs



20 AIREX ENERGY – ADVANCING SUSTAINABILITY FROM BIOMASS TO BIOCHAR



Airex Energy has developed a patented, cost-effective technology that uses torrefaction to convert biomass into biochar. Its CarbonFX process precisely controls biomass treatment, ensuring high-quality outputs. Airex Energy aims to support the global transition to net-zero by supplying renewable biocarbon products that enable carbon sequestration, promote regenerative agriculture, and help replace coal in power plants across North America and Europe. In 2023, Airex Energy partnered with Groupe Rémabec and SUEZ to build Canada’s first industrial biochar plant in Port-Cartier, Québec. Phase one, with a 10,000-ton annual capacity, is set for completion in 2025. By 2026, capacity is expected to triple, making it the largest biochar facility in North America. This is the first project resulting from the partnership between SUEZ and Airex Energy which aims to produce 350,000 tons of biochar by 2035.



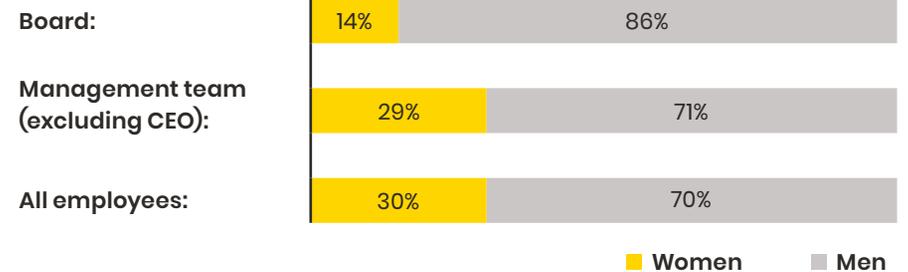
Challenge

Significant amounts of biomass from wood processing waste and forest residues are wasted, even though they could be used to decarbonize industry and improve soil fertility.

Impact Thesis

Airex Energy produces biochar, a 100% natural and organic soil amendment that supports long-term carbon sequestration. The company also produces biocoal (torrefied pellets), a clean alternative to thermal coal that emits approximately 90% less CO₂ equivalent. Additionally, Airex produces biocarbon, an engineered green carbon solution for the metallurgical industry. Through these products, Airex helps the industrial sector to transition away from fossil fuels by integrating renewable green carbon solutions that reduce GHG emissions. As such, in 2024 the company’s avoided emissions were 9,194 tCO₂e.

Diversity Metrics



Date of investment : May 2022
Headquarters : Laval, Québec, Canada
IRIS+ sector : Pollution, Energy
Type of contribution : Direct Impact





03

A GROWING ECOSYSTEM

**HIGHLIGHTS FROM OUR LEADING
CLIMATETECH PLATFORM**

22 CIRCULAR INNOVATION FUND – FUELING INNOVATION FOR A CIRCULAR ECONOMY

SFDR ART. 9 FUND DEDICATED TO CIRCULARITY



The Circular Innovation Fund (CIF) is a global growth stage venture capital fund focused solely on circular innovation. It is a joint venture between leading cleantech capital managers – Montreal-based Cycle Capital and Paris-based Demeter. The fund invests in growth-stage companies from North America, Europe and Asia developing breakthrough new materials, circular packaging, recycling and waste innovations, logistics, as well as eco-efficient processes & design, and circular business models.



Challenge

The global economy’s reliance on a linear “take-make-dispose” model is unsustainable, driving resource depletion, waste, and climate change. Transitioning to a circular economy is critical but challenging, with barriers such as limited access to capital, technological gaps, and insufficient infrastructure for resource reuse serving as main obstacles. Thus, entrepreneurs offering innovative circular solutions often struggle to scale their technologies due to financial and operational constraints.

Impact Thesis

CIF aims to promote the development of a large-scale circular economy by supporting entrepreneurs who are creating innovative circular economy solutions around the world. By fostering the growth of these ventures, it seeks to drive systemic change in the way resources are used and reused, ultimately reducing waste and environmental impact. Through innovation and strategic investment, it supports the transition to a more sustainable, resilient, and low-carbon global economy.

Fund managed by



Other investors : EDC, Axens, Claridge, Colam Impact, Fonds de solidarité FTQ, Haltra, Masonite and other institutional, private and high net worth individuals

Investors

Anchor investor



Indirect investments :



SDGs



CIF PORTFOLIO HIGHLIGHTS

2 FUNDS + 5 GROWTH STAGE START UPS

Indirect investments



Plastics & Packaging, Food & Agriculture, Fashion & Beauty and Supply Chain Logistics Tech



European Bioeconomy, including Circular Bioeconomy

Direct investments



Rental & Secondhand Software and Service for Retailers



Innovative Plant-Based Polyurethane Materials



Recycled Carbon Fiber Composite Solutions



Innovative MBR Membranes for Water Reuse Applications



Precision Heating Technology for Sustainable Packaging

HIGHLIGHTS

NEW INVESTMENT IN WATTTRON

A precision heating technology for sustainable packaging that enables the use of mono-material packaging and optimizes material use by improving forming precision, leading to significant energy savings and a reduction of plastic use.

100%

of the companies have at least one woman on their board

36%

of the board members are women, cumulatively

100%

of the companies have set up (or are currently setting up) supply chain screenings for sustainability objectives

7

seed and pre-seed stage circular startups in portfolio

40%

of the companies have set up (or are currently setting up) formalized global sustainability policies

100%

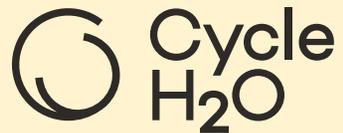
of the companies are not exposed to the fossil fuel industry

80%

of the companies have reported scope 1,2,3 emissions

24 CYCLE H2O – INVESTING IN INNOVATIVE SOLUTIONS FOR WATER CONSERVATION

IMPACT FUND DEDICATED TO WATER



The Cycle H2O Fund, managed by Cycle Capital and H2O Innovation Inc., invests in early-stage companies developing innovative water technologies for the municipal, industrial, and agricultural sectors—collectively responsible for over 80% of global freshwater use. As a leader in "blue gold" investing, the fund drives environmental impact and strong returns by supporting solutions that protect, conserve, and optimize water use in Canada, the U.S., and beyond.

Challenge

Water scarcity and declining water quality are two of the most pressing global challenges of the 21st century. These issues are being exacerbated by climate change, rapid population growth, and inefficient water use across municipalities, agriculture, and industry. As demand for water continues to rise, competition for this finite resource is becoming increasingly intense. This growing pressure underscores the urgent need for more sustainable and efficient water management practices.

Impact Thesis

By financing early-stage companies, the Cycle H2O Fund accelerates the adoption of scalable technology solutions that reduce water consumption, prevent contamination, and enhance water resource management in key sectors. This approach not only supports sustainable water practices but also drives economic growth by enabling businesses to meet increasing regulatory requirements and consumer demand for sustainability.

Targeted Sectors



Industrial



Agriculture



Water service

SDGs



CYCLE MOMENTUM – ACCELERATING INNOVATION FOR A SUSTAINABLE FUTURE

Cycle Momentum is an accelerator and innovation platform that brings together an international collective of entrepreneurs, leading companies, investors, and innovators.

Since inception, Cycle Momentum has:

- Supported ~ **150 startups**
- Helped raise over **\$500M**
- GHG avoidance by portfolio companies ~ **40,000 tCO₂e**

HIGHLIGHTS

Launched Lab-to-Startup – a new program accelerating the commercialization of clean technologies, powered by four Entrepreneurs-in-Residence and strong academic, industrial, and municipal partnerships.

Ran Five Acceleration Programs – four for Québec startups and one global program with the Circular Innovation Fund (CIF) to grow pre-seed and seed circular economy companies.

Wind Energy Circular Innovation Challenge (with RECYC-QUÉBEC) – 836 international startups engaged; four solutions selected to advance circularity in Québec’s wind sector.

Climate Solutions Prizes ~ 1,200 participants at the 2024 festival celebrating breakthrough climate innovations across Québec; the 2025 edition aims to welcome over 2,000 participants.

Circle of Partner Funds – 20 new partners were added including CVC, Family offices, Angel Platforms, VC and funds, with mostly a Canadian network and expanding internationally – 83% funds based in Canada, 12% in the USA, 3% in Europe, 1.5% in South America (Brazil).



Part of Cycle Momentum, the Origo Program matches investments for Québec entrepreneurs developing ClimateTech solutions. Funded with \$9.75 million from the Ministry of Environment, it supports pre-seed and seed-stage companies reducing emissions, improving energy efficiency, or creating environmental benefits, while strengthening Québec’s start-up ecosystem and attracting new investors. The Origo program began investing in 2024 and made 6 investments totaling \$1.1M in its first year.

NEW INVESTMENTS

Software:  

Hardware: 

Chemistry:   

A WINNING TEAM

Congratulations to Jennifer McDonald on winning Investor Community Champion of the Year at the Startup Community Awards! This honor celebrates her leadership at Cycle Momentum and the team’s work through the Origo program, investing in Québec ClimateTech.



26 OPALIA – LEADING THE WORLD’S TRANSITION TO A MORE SUSTAINABLE FOOD SYSTEM



Cycle Momentum through its Origo program made its first co-investment in Opalia, a company that has completed one of the accelerator’s support programs. Opalia is developing a technology to produce milk without cows, using bovine mammary cells to lactate in a bioreactor.

“We are thrilled to have the financial and strategic support of Cycle Momentum. The Origo program is the perfect partner to support Opalia in validating our technology before scaling it up for commercialization. Cycle Momentum has also positioned itself to introduce us to its broad network of financial and industrial partners to help finance our growth and deploy our technology.”
– Jennifer Côté, CEO and Co-Founder, Opalia .



Challenge

Cows produce methane, a potent greenhouse gas, and their grazing drives deforestation, soil degradation, and biodiversity loss. Producing 1L of milk consumes 1,466L of rainwater, 121L of drinking water, and 106L of wastewater. Alternatives such as plant-based milk often lack the taste and texture of traditional dairy.

Impact Thesis

Opalia wants to produce whole milk in a laboratory environment, with all the properties of traditional cow milk. The process involves collecting mammary cells from cows, selecting the most proliferative cells, immortalizing them and genetically engineering them to create a stable cell line that can make milk efficiently outside of the body. Opalia has the potential to reduce GHG emissions associated with milk production by 45%.

Headquarters: Montreal, Quebec, Canada

Sector: Agtech & Foodtech, Green Chemistry

Co-Investors: BoxOne Ventures, Investissement Québec, Hoogwet Group, Ahimsa Foundation, Kale United, Archangel Network – Total Round: \$1.85M

SDGs



ECOSYSTEM ENGAGEMENT

Cycle Capital is deeply engaged in the ClimateTech and VC ecosystem. As a founding member and signatory of multiple industry initiatives, we actively support studies, think tanks, consortia, and conferences focused on ecological transition, impact investing, ESG, and diversity.

We maintain strong partnerships across Canada and the U.S., including close collaborations with the Cleantech Group—where we serve on the North American Advisory Board—and Bloomberg.



ClimateTech Innovation Forum In collaboration with BloombergNEF



The ClimateTech Innovation Forum is a key event hosted annually by Cycle Capital since 2023, in collaboration with Bloomberg New Energy Finance and presented in 2024 by Fonds de solidarité FTQ.

The event is designed to foster collaboration and drive forward the development of sustainable technologies by bringing together innovators, investors, and industry leaders. Its importance lies in creating synergies across sectors, showcasing cutting-edge technologies, and accelerating the adoption of climate-conscious innovations.



04

LESSONS LEARNED

WE REFLECT AND CONTINUE
TO IMPROVE ON OUR IMPACT
IDENTIFICATION, MEASUREMENT,
AND ASSESSMENTS

HOW WE WORK

WE UNDERSTAND THAT CLIMATE TECH REQUIRES SPECIFIC INVESTMENT TEAMS WITH TARGETED EXPERTISE, EXPERIENCE, AND NETWORK

Expertise, Experience and Network

- Working with molecules vs. electrons requires widely different resources and skill sets
- Capital intensity is often underestimated
- Market adoption mitigation for the investors is prediction risk assessment – minimum traction & technology validation

We Assemble Quality Syndicate Partners

- Each syndicate partner is selected to bring unique contribution to the portfolio company at the right time
- Cycle Capital leverages its network to bring on corporate VCs at the right time to accelerate scale ups, which is crucial in ClimateTech

We Issue Robust Term Sheets with Detailed Terms & Conditions Including ESG

- Governance: We champion independent board members with a track record and we constitute audit, finance and compensation committees
- ESG/Impact: We instill the discipline to measure & track CO₂ reduction, diversity & other KPIs
- Talent: We conduct management team assessments in order to build top performing teams
- Intellectual Property: Freedom to operate assessment

We invest in a Winning Value Proposition at the Right Valuation

- We truly understand the competitive international landscape
- Exit strategy is paramount to ensure we determine the proper valuation considering risk profiles



30 THANK YOU!

Cycle Capital would like to thank its Limited Partners, entrepreneurs and portfolio companies' teams for their contribution to this report. We are also grateful for the amazing work and collaboration of our investment team:

Andrée-Lise Méthot – Founder & Managing Partner

Claude Vachet – Managing Partner

Gerd Goette – Senior Partner

Shirley Speakman – Senior Partner

Dan Pinault – Partner

Pascal Drouin – Partner

Catherine Bérubé – Partner

Ariane Cloutier – Partner & CFO

Benoît Forcier – Senior Partner CIF

Simon Olivier – Senior Partner Cycle H2O

Claude Champagne – Technology Leader

Kevin Cano – Principal

Ricardo Jordan – Principal

Maya Hassa – Principal CIF

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