
UDV The Nest Fund K/S

Bredgade 63A, st. tv., DK-1260 København K

Annual Report for 2023

CVR No. 42 75 28 35

The Annual Report was presented and adopted at the Annual General Meeting of the limited partnership on 23/5 2024

Martin Grønvald Raun
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Management's Review	5
Financial Statements	
Income Statement 1 January - 31 December	6
Balance sheet 31 December	7
Statement of changes in equity	9
Notes to the Financial Statements	10

Management's statement

The Executive Board has today considered and adopted the Annual Report of UDV The Nest Fund K/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Limited Partnership and of the results of the Limited Partnership operations for 2023.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

København K, 23 May 2024

Executive Board

Ugly Duckling Ventures GP ApS
Manager

Independent Auditor's report

To the limited partners of UDV The Nest Fund K/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Limited Partnership at 31 December 2023 and of the results of the Limited Partnership's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of UDV The Nest Fund K/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Limited Partnership in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Limited Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Limited Partnership or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Limited Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Limited Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Limited Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 23 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Alexander

State Authorised Public Accountant

mne42824

Alexander Oliver Duschek

State Authorised Public Accountant

mne47774

Company information

The Company UDV The Nest Fund K/S
Bredgade 63A, st. tv.
1260 København K
CVR No: 42 75 28 35
Financial period: 1 January - 31 December
Incorporated: 13 October 2021
Municipality of reg. office: Copenhagen

Executive Board Ugly Duckling Ventures GP ApS

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's review

Key activities

The purpose of the company is to invest in various portfolio companies in order to develop and increase the value of the businesses.

Development in the year

The income statement of the Company for 2023 shows a loss of DKK 13,126,199, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 68,176,630.

We see the 2023 results as satisfactory at this stage of the fund cycle.

2023 was the first year after the final closing of the fund. We have followed the thesis for the fund and made two follow-up investments and three new initial investments. At year end the fund had an active portfolio of 10 companies and a strong pipeline.

The year brought two bankruptcies in the portfolio, and although we are saddened by this, it's a natural development for a venture portfolio and we have been happy to help the founders land on their feet again. 2024 will see the last three initial investments of the fund completed and expected 1-3 follow-up investments.

As our accounting principals are to keep holdings at cost value, our results will be negative until exits are realised. Internal NAV for the fund is positive and is tracking well to expectations.

Income statement 1 January - 31 December

	Note	2023	2021/22
		DKK 12 months	DKK 15 months
Gross loss		-4,079,696	-1,399,870
Income from investments in associates	1	-9,040,850	0
Financial expenses	2	-5,653	-34,701
Net profit/loss for the year		-13,126,199	-1,434,571

Distribution of profit

	2023	2021/22
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-13,126,199	-1,434,571
	-13,126,199	-1,434,571

Balance sheet 31 December

Assets

	Note	2023	2021/22
		DKK	DKK
Investments in associates	3	45,395,193	6,648,367
Other investments	4	21,418,477	22,498,754
Fixed asset investments		66,813,670	29,147,121
Fixed assets		66,813,670	29,147,121
Prepayments		760,954	0
Receivables		760,954	0
Cash at bank and in hand		1,362,129	7,957
Current assets		2,123,083	7,957
Assets		68,936,753	29,155,078

Balance sheet 31 December

Liabilities and equity

	Note	2023	2021/22
		DKK	DKK
Share capital		82,737,400	30,071,500
Retained earnings		-14,560,770	-1,434,571
Equity		68,176,630	28,636,929
Trade payables		202,869	0
Payables to group enterprises		0	308,149
Other payables		557,254	210,000
Short-term debt		760,123	518,149
Debt		760,123	518,149
Liabilities and equity		68,936,753	29,155,078
Contingent assets, liabilities and other financial obligations	5		
Accounting Policies	6		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	30,071,500	-1,434,571	28,636,929
Capital increase	52,665,900	0	52,665,900
Net profit/loss for the year	0	-13,126,199	-13,126,199
Equity at 31 December	82,737,400	-14,560,770	68,176,630

Notes to the Financial Statements

	2023 DKK 12 months	2021/22 DKK 15 months
1. Income from investments in associates		
Loss on investments	-9,040,850	0
	-9,040,850	0

	2023 DKK 12 months	2021/22 DKK 15 months
2. Financial expenses		
Interest paid to group enterprises	0	16,930
Other financial expenses	5,653	17,771
	5,653	34,701

	2023 DKK	2021/22 DKK
3. Investments in associates		
Cost at 1 January	6,648,367	0
Additions for the year	40,828,771	6,648,367
Cost at 31 December	47,477,138	6,648,367
Other adjustments	-2,081,945	0
Value adjustments at 31 December	-2,081,945	0
Carrying amount at 31 December	45,395,193	6,648,367

Other adjustments relates to write-downs of investments in portfolio companies going through bankruptcy.

Notes to the Financial Statements

4. Other fixed asset investments

	Other investments
	DKK
Cost at 1 January	22,498,754
Additions for the year	18,786,961
Transfers for the year	-12,908,332
Cost at 31 December	<u>28,377,383</u>
Impairment losses at 1 January	0
Impairment losses for the year	6,958,906
Impairment losses at 31 December	<u>6,958,906</u>
Carrying amount at 31 December	<u>21,418,477</u>

5. Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2023.

Notes to the Financial Statements

6. Accounting policies

The Annual Report of UDV The Nest Fund K/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Limited partnership, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Limited partnership, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Other external expenses

Other external expenses consists of legal expenses and administration.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss comprises of other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Balance sheet

Investments in associates

Investments in associates are measured at cost or any lower net realisable value.

Impairments testing is carried out if there is any indication of impairment. The carrying amount is written down to the recoverable amount whenever the carrying amount exceeds the recoverable amount.

Fixed asset investments

Other investments are measured at cost or any lower net realisable value.

Impairment testing is carried out if there is any indication of impairment. The carrying amount is written down to the recoverable amount whenever the carrying amount exceeds the recoverable amount.

Notes to the Financial Statements

Prepayments

Prepayments comprise prepaid expenses concerning management fee.

Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.