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# *UDV The Nest Fund K/S*

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

Annual Report for  
13 October 2021 - 31 December 2022

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CVR No. 42 75 28 35

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the limited  
partnership  
on 26/5 2023

Martin Grønvald Raun  
Chairman of the  
general meeting



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# Management's statement

The Executive Board has today considered and adopted the Financial Statements of UDV The Nest Fund K/S for the financial year 13 October 2021 - 31 December 2022.

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 2022 of the Limited Partnership and of the results of the Limited Partnership operations for 2021/22.

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

I recommend that the Financial Statements be adopted at the Annual General Meeting.

København K, 16 May 2023

**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 2022 and of the results of the Limited Partnership's operations for the financial year 13 October 2021 - 31 December 2022 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 13 October 2021 - 31 December 2022, 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, 16 May 2023

**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.  
DK-1260 København K

CVR No: 42 75 28 35

Financial period: 13 October 2021 - 31 December 2022

Incorporated: 13 October 2021

Municipality of reg. office: Copenhagen

### Executive board

Ugly Duckling Ventures GP ApS

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
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 2021/22 shows a loss of DKK 1,434,571, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 28,636,929.

The result is affected negatively by setup expenses for the fund, which is one-time fee occurring next accounting period.

We are satisfied with the results of 2022.

After year-end closing, the fund has reached its target of +150mDKK AUM and have had final close by 31st of March 2023. This allows us to follow the investment thesis of the fund.

The fund portfolio looks to be durable to macro environment due to our more conservative thesis. We have placed the first two significant follow-up investments which is a core part of the portfolio construction of the fund.

Although 2022 was a challenging year for Venture as an asset class, we feel that buyers and sellers have neared each other in 2023 and we are continuously placing new and follow-up investments through Q1 and Q2 of 2023.

## Income statement 13 October 2021 - 31 December 2022

	<u>Note</u>	<u>2021/22</u> DKK 15 months
Gross profit/loss		-1,399,870
Financial expenses	1	-34,701
Net profit/loss for the year		<u>-1,434,571</u>

### Distribution of profit

	<u>2021/22</u> DKK
Proposed distribution of profit	
Retained earnings	<u>-1,434,571</u>



## Balance sheet 31 December 2022

### Assets

	<u>Note</u>	<u>2021/22</u> DKK
Investments in associates	2	6,648,367
Other investments	3	<u>22,498,754</u>
<b>Fixed asset investments</b>		<b><u>29,147,121</u></b>
<b>Fixed assets</b>		<b><u>29,147,121</u></b>
<b>Cash at bank and in hand</b>		<b><u>7,957</u></b>
<b>Current assets</b>		<b><u>7,957</u></b>
<b>Assets</b>		<b><u>29,155,078</u></b>

## Balance sheet 31 December 2022

### Liabilities and equity

	<u>Note</u>	<u>2021/22</u>
		DKK
Share capital		30,071,500
Retained earnings		<u>-1,434,571</u>
<b>Equity</b>		<b><u>28,636,929</u></b>
Payables to group enterprises		308,149
Other payables		<u>210,000</u>
<b>Short-term debt</b>		<b><u>518,149</u></b>
<b>Debt</b>		<b><u>518,149</u></b>
<b>Liabilities and equity</b>		<b><u>29,155,078</u></b>

Accounting Policies

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## Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 13 October	0	0	0
Cash payment concerning formation of entity	30,071,500	0	30,071,500
Net profit/loss for the year	0	-1,434,571	-1,434,571
<b>Equity at 31 December</b>	<b>30,071,500</b>	<b>-1,434,571</b>	<b>28,636,929</b>

# Notes to the Financial Statements

	<u>2021/22</u> DKK
<b>1. Financial expenses</b>	
Interest paid to group enterprises	16,930
Other financial expenses	<u>17,771</u>
	<u><b>34,701</b></u>
	<u>2021/22</u> DKK
<b>2. Investments in associated companies</b>	
Cost at 13 October	0
Additions for the year	<u>6,648,367</u>
Cost at 31 December	<u>6,648,367</u>
Carrying amount at 31 December	<u><b>6,648,367</b></u>
<b>3. Other fixed asset investments</b>	
	<u>Other investments</u> DKK
Cost at 13 October	0
Additions for the year	<u>22,498,754</u>
Cost at 31 December	<u>22,498,754</u>
Carrying amount at 31 December	<u><b>22,498,754</b></u>

# Notes to the Financial Statements

## 4. Accounting policies

The Annual Report of UDV The Nest Fund K/S for 2021/22 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 Financial Statements for 2021/22 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 Company, 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 Company, 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 profit/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

## Financial debts

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.