

Ugly Duckling Ventures Management ApS

Sustainability statement

Ugly Duckling Ventures (“**UDV**”) is subject to the European Sustainable Finance Disclosure Regulation (“**SFDR**”) - Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector and delegated regulations thereof. Thus, UDV is required to publicly disclose information about how sustainability risk is integrated into our policies, how we take principal adverse impacts (“**PAI**”) into consideration in our investment decisions and how we integrate sustainability risk in our remuneration policies.

UDV manages two funds that invest in Nordic ventures at the pre-seed and seed stages:

- UDV The Nest Fund K/S
- UDV The Nest Fund II K/S

This statement reflects UDV's commitment to transparency and compliance with regulatory requirements while acknowledging the current approach to sustainability in the investment-decision making process.

Integration of sustainability risks in the investment process

Sustainability risks refers to the potential negative impacts that environmental, social, or governance (“**ESG**”) factors may have on the funds’ financial performance. These risks e.g. include risks associated with the physical impacts of climate change such as extreme weather (E), risks that consumer behavior and profitability is affected by concerns about ethical practices (S), and risks that non-compliance with regulations results in fines, and operational constraints (G).

UDV does not explicitly integrate sustainability risk in its investment-decision making process as these are expected to be minor compared to other risks related to the investment strategies of the funds under management investing in Nordic venture companies at the pre-seed and seed stages

While we do not explicitly integrate sustainability risks into our investment decision-making process, we remain committed to upholding high standards of transparency, integrity, and accountability in all our activities.

Adverse sustainability impacts

UDV recognize the importance of understanding and managing potential adverse impacts that our investments may have on sustainability factors. However, we do not explicitly consider PAI’s in our investment decision-making process. UDV does not explicitly consider PAI’s as:

- the effort and cost of the process of explicitly incorporating sustainability assessments adequately are deemed not to justify the effort required compared to other factors affecting the funds’ performance; and

- the additional analytical burden of incorporating sustainability assessments into the investment decision-making process risk diverting attention from other more critical investment considerations due to the size of organization.

For these reasons UDV does not publish a PAI Statement.

While sustainability risks and PAIs are not currently a core component of our investment strategy, we continuously monitor market developments and may consider integrating ESG considerations into our investment process in the future if deemed appropriate. However, there are no specific plans as to whether and when PAI's will be integrated into the process.

Integration of Sustainability in Remuneration

UDV's remuneration policy does not take into consideration sustainability risks as sustainability risks are not integrated into UDV's investment decision process.

UDV The Nest Fund K/S

Product specific disclosures

UDV The Nest Fund K/S ("**The Nest Fund**") does not have sustainable investment as an objective, nor does it explicitly promote ESG characteristics. Thus, product specific disclosures in accordance with Article 6 of the SFDR apply.

UDV and The Nest Fund does not explicitly integrate sustainability risk in its investment-decision making process. The impact of sustainability risks is expected to be minor when compared to other risks related to investments in Nordic venture companies at the pre-seed and seed stages in accordance with the The Nest Fund's investment strategy.

UDV and The Nest Fund does not consider the adverse impacts of investment decisions on sustainability factors. Adverse impacts are not explicitly considered as the effort and cost of the process of adequately explicitly incorporating sustainability assessments are deemed not to justify the effort required compared to other factors affecting The Nest Fund's performance and may risk diverting attention from other critical investment considerations.

UDV The Nest Fund II K/S

Product specific disclosures

UDV The Nest Fund II K/S ("**The Nest Fund II**") does not have sustainable investment as an objective, nor does it explicitly promote ESG characteristics. Thus, product specific disclosures in accordance with Article 6 of the SFDR apply.

UDV and The Nest Fund II does not explicitly integrate sustainability risk in its investment-decision making process. The impact of sustainability risks is expected to be minor when compared to other

risks related to investments in Nordic venture companies at the pre-seed and seed stages in accordance with the The Nest Fund II's investment strategy.

UDV and The Nest Fund II does not consider the adverse impacts of investment decisions on sustainability factors. Adverse impacts are not explicitly considered as the effort and cost of the process of adequately explicitly incorporating sustainability assessments are deemed not to justify the effort required compared to other factors affecting The Nest Fund II's performance and may risk diverting attention from other critical investment considerations.

This statement was updated June 2024. It is reviewed at least annually.

Compliance checklist

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

Requirement (Regulation (EU) 2019/2088)	Compliance
<p><i>Article 3.1</i> Financial market participants shall publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process.</p>	See section: “ <i>Integration of sustainability risks in the investment process</i> ”
<p><i>Article 4.1</i> Financial market participants shall publish and maintain on their websites: (a) where they consider principal adverse impacts of investment decisions on sustainability factors, a statement on due diligence policies with respect to those impacts, taking due account of their size, the nature and scale of their activities and the types of financial products they make available; or (b) where they do not consider adverse impacts of investment decisions on sustainability factors, clear reasons for why they do not do so, including, where relevant, information as to whether and when they intend to consider such adverse impacts.</p>	See section: “ <i>Adverse sustainability impacts</i> ”
<p><i>Article 4.2</i> Financial market participants shall include in the information provided in accordance with point (a) of paragraph 1 at least the following: (a) information about their policies on the identification and prioritisation of principal adverse sustainability impacts and indicators; (b) a description of the principal adverse sustainability impacts and of any actions in relation thereto taken or, where relevant, planned; (c) brief summaries of engagement policies in accordance with Article 3g of Directive 2007/36/EC, where applicable; (d) a reference to their adherence to responsible business conduct codes and internationally recognised standards for due diligence and reporting and, where relevant, the degree of their alignment with the objectives of the Paris Agreement.</p>	N/A
<p><i>Article 5.1</i> Financial market participants and financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks, and shall publish that information on their websites.</p>	See section: “ <i>Integration of Sustainability in Remuneration</i> ”
<p><i>Article 6.1</i> Financial market participants shall include descriptions of the following in pre-contractual disclosures: (a) the manner in which sustainability risks are integrated into their investment decisions; and (b) the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products they make available. Where financial market participants deem sustainability risks not to be relevant, the descriptions referred to in the first subparagraph shall include a clear and concise explanation of the reasons therefor.</p>	See sections: “ <i>UDV The Nest Fund K/S</i> ” and “ <i>UDV The Nest Fund II K/S</i> ” and separate PRIIP KID document (for The Nest Fund II)
<p><i>Article 7.1</i> By 30 December 2022, for each financial product where a financial market participant applies point (a) of Article 4 (1) or Article 4(3) or (4), the disclosures referred to in Article 6(3) shall include the following: (a) a clear and reasoned explanation of whether, and, if so, how a financial product considers principal adverse impacts on sustainability factors; (b) a statement that information on principal adverse impacts on sustainability factors is available in the information to be disclosed pursuant to Article 11(2). Where information in Article 11(2) includes quantifications of principal adverse impacts on sustainability factors, that information may rely on the provisions of the regulatory technical standards adopted pursuant to Article 4(6) and (7).</p>	N/A
<p><i>Article 7.2</i> Where a financial market participant applies point (b) of Article 4(1), the disclosures referred to in Article 6(3) shall include for each financial product a statement that the financial market participant does not consider the adverse impacts of investment decisions on sustainability factors and the reasons therefor.</p>	See sections: “ <i>UDV The Nest Fund K/S</i> ” and “ <i>UDV The Nest Fund II K/S</i> ”