Kvanted
VENTURES

Last updated in September 2023

Compliance

OWNERSHIP AND MANAGERS

Kvanted Fund 1 Ky is a limited partnership incorporated and existing under the laws of Finland and managed by its General Partner Kvanted GP 1 Oy. Kvanted GP 1 Oy has appointed Kvanted Oy (Kvanted Ventures) to manage the partnership. Kvanted Ventures is owned by the partners Axel Ahlström, Eerik Paasikivi and Maria Wasastjerna.

SHORT DESCRIPTION AND DETAILS OF KVANTED

Kvanted is a Helsinki-based early-stage VC firm focused on industrial technology. Our investment focus spans across both software and hardware companies that already have proof of their solution transforming the industrial value chain. Kvanted's investment philosophy is rooted in accelerating industrial decarbonization and digital transformation, with a thematic focus on industrial automation, sustainability, and supply chain resilience.

The first closing of Kvanted Fund 1 Ky was in May 2023 and investments in portfolio companies started in the fall of 2023.

MANAGED BY	Kvanted Oy
GP COMPANY	Kvanted Fund 1 Ky
FUND SIZE	€71,3M

REGISTERED AIFM

We are a registered Alternative Investment Fund Manager (AIFM). We are supervised by the Finnish Financial Supervisory Authority.

REPORTING AND VALUATION GUIDELINES

We follow Invest Europe's Investor Reporting Guidelines in our investor reporting. The valuation of the portfolio is done in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines.

FVCA MEMBERSHIP

Kvanted is a member of the Finnish Venture Capital Association (FVCA) and follows the association's rules and guidelines.

APPROACH TO RESPONSIBLE INVESTMENT, ESG & SUSTAINABILITY

The partnership is carefully managed and ESG risks are taken into consideration in our investments. Kvanted Oy makes the following disclosure in accordance with the sustainable finance disclosure regulation.

Integration of sustainability risks in the investment decision-making process (SFDR art. 3(1))

Kvanted considers ESG factors during its investment process to identify potential environmental, sustainability, and governance risks and opportunities associated with each investment. Kvanted's investment process includes assessing ESG issues and risks, and assessing that potential investee companies meet the fund's responsible investing principles before making any investments. Kvanted also pays special attention to identifying issues that are not amendable, such as companies operating in an unacceptable industry, and refrains from investing in them.

Statement of no consideration of adverse impacts on sustainability factors (SFDR art. 4(1)(a))

While we do integrate sustainability risks in our investment decision-making process, Kvanted does not consider the adverse impacts of its investment decisions on sustainability factors under Article 4(1)(a) of Regulation (EU) 2019/2088 (the **SFDR**) for the time being.

The main reason for this is the lack of official guidance and existing best practices on the consideration of adverse impacts of investment decisions on sustainability factors. Considering that the portfolio of our fund will consist of several minority investments in unlisted early-stage companies, it is uncertain whether sufficient data exists or can be obtained with respect to each portfolio company. Once there are more detailed guidelines and best practices regarding measuring, considering, and reporting adverse impacts on sustainability factors, Kvanted intends to reconsider its approach.

Transparency of remuneration policies in relation to the integration of sustainability risks (SFDR art. 5)

Under SFDR Article 5, financial market participants 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.

Kvanted's remuneration policy does not encourage investment decision-making in which higher returns are expected but the possible result is the realisation of sustainability risks. Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Kvanted's investment professionals, who manage the investments against compensation, must follow Kvanted's internal policies and procedures related to sustainability and ESG.

Transparency of the promotion of environmental or social characteristics on websites (SFDR art. 10)

Under SFDR Article 10, financial market participants shall publish and maintain on their websites certain information for each financial product referred to in SFDR Article 8(1). Kvanted Fund 1 Ky is classified as an Article 8 fund, i.e. a financial product that promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

Article 8 product disclosures, as requested in Article 10, are included in the fund documentation provided only to investors and potential investors.

CONTACT FOR FUND AND MEDIA RELATED INQUIRIES

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