



Nordea Private Equity III - GLOBALFUND OF FUNDS K/S

Nicolai Eigtveds Gade 8
1402 København K
CVR No. 30720350

Annual report 01.10.2022 - 30.09.2023

The Annual General Meeting adopted the annual
report on 14.02.2024

Rasmus Trosborg
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2022/23	8
Balance sheet at 30.09.2023	9
Statement of changes in equity for 2022/23	11
Notes	12
Accounting policies	13

Entity details

Entity

Nordea Private Equity III - GLOBALFUND OF FUNDS K/S

Nicolai Eigtveds Gade 8

1402 København K

Business Registration No.: 30720350

Registered office: København

Financial year: 01.10.2022 - 30.09.2023

Board of Directors

Jakob Jessen

Brian Philip Jensen

Anders Karsbæk Bertramsen

Executive Board

Brian Philip Jensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordea Private Equity III - GLOBALFUND OF FUNDS K/S for the financial year 01.10.2022 - 30.09.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2023 and of the results of its operations for the financial year 01.10.2022 - 30.09.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 14.02.2024

Executive Board

Brian Philip Jensen

Board of Directors

Jakob Jessen

Brian Philip Jensen

Anders Karsbæk Bertramsen

Independent auditor's report

To the shareholders of Nordea Private Equity III - GLOBALFUND OF FUNDS K/S

Opinion

We have audited the financial statements of Nordea Private Equity III - GLOBALFUND OF FUNDS K/S for the financial year 01.10.2022 - 30.09.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2023 and of the results of its operations for the financial year 01.10.2022 - 30.09.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 14.02.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen

State Authorised Public Accountant
Identification No (MNE) mne30131

Lica Lyngsø Nielsen

State Authorised Public Accountant
Identification No (MNE) mne47801

Management commentary

Primary activities

Nordea Private Equity III – Global Fund of Funds K/S was established on 12 July 2007 with aggregate capital commitments of EUR 125.5 million. In the period until the Final Closing on 10 July 2009, the Partnership received further commitments of EUR 113.7 million, bringing the total commitments to EUR 239.2 million.

Description of material changes in activities and finances

Profit and loss

The fund generated a loss of EUR 1,547,710 (2021/2022: profit of EUR 120,165) during the financial year. This generated a negative performance of -8.0% during the financial year. This was mainly driven by the unrealised loss on exchange rates.

From late fourth quarter 2022 to third quarter 2023, IPOs faced volatility due to inflation concerns, causing delays in exits. The bond market fluctuated amid central bank policies, affecting US government and corporate yields moving upward to 16 years high at 5% level. Private equity transaction and exits stayed active despite uncertainties, but at much lower levels. New inflation data show that the inflation has started declining again and long-term interest rate has come a little down which can indicate better outlook for M&A markets in 2024.

Although the Fund's performance, going concern and operations, at the date of this report the Fund's performance has not been significantly impacted by the above, the Managers of the General Partner continue to monitor the evolving situation and its impact on the financial position of the Fund.

Portfolio development

Overall, Nordea Private Equity III – Global Fund of Funds K/S' distribution pace has improved to EUR 5.5 million compared to 2021/22 of which EUR 3.7 million was distributed. The portfolio has continued to show satisfying positive returns during financial period the total result was impacted negatively by depreciation of the USD to the EUR of 6.8% resulting in a negative contribution of EUR 1.7 million unrealised loss on exchange rates.

The investments underlying this financial product do not consider the EU criteria for environmentally sustainable economic activities.

Events after the balance sheet date

The Partnership neither made any new drawdowns nor distributions after the balance sheet date.

Subsequent to the accounting period, the USD has depreciated further against the EUR by 3%. As the Partnership does not hedge against currency fluctuations, this has decreased the value of the USD investments.

From the balance sheet date till today, no circumstances have occurred which could alter the assessment of the annual report.

Income statement for 2022/23

	Notes	2022/23 EUR	2021/22 EUR
Gross profit/loss		(1,573,473)	105,531
Other financial income		25,765	30,981
Other financial expenses		(2)	(16,347)
Profit/loss before tax		(1,547,710)	120,165
Tax on profit/loss for the year		24,161	523,070
Profit/loss for the year		(1,523,549)	643,235
Proposed distribution of profit and loss			
Accrued carried interest to General Partner		(289,121)	(189,261)
Retained earnings		(1,234,428)	832,496
Proposed distribution of profit and loss		(1,523,549)	643,235

Balance sheet at 30.09.2023

Assets

	Notes	2022/23 EUR	2021/22 EUR
Other investments		18,411,550	24,355,748
Financial assets		18,411,550	24,355,748
Fixed assets		18,411,550	24,355,748
Cash		1,045,363	2,450,668
Current assets		1,045,363	2,450,668
Assets		19,456,913	26,806,416

Equity and liabilities

	Notes	2022/23 EUR	2021/22 EUR
Cash flow from/ (to) Limited Partners		(161,744,182)	(156,208,350)
General Partner's Capital		1,023,438	1,312,559
Retained earnings		180,124,657	181,648,206
Equity		19,403,913	26,752,416
Other payables		53,000	54,000
Current liabilities other than provisions		53,000	54,000
Liabilities other than provisions		53,000	54,000
Equity and liabilities		19,456,913	26,806,416

Contingent liabilities 1

Statement of changes in equity for 2022/23

	Cash flow from/ (to) Limited Partners EUR	Retained earnings EUR	General Partners Capital EUR	Total EUR
Equity beginning of year	(156,208,350)	181,648,206	1,312,559	26,752,415
Profit/loss for the year	(5,535,832)	(1,523,549)	(289,121)	(7,348,502)
Equity end of year	(161,744,182)	180,124,657	1,023,438	19,403,913

Total committed capital at final closing EUR 239,200,000.

Notes

1 Contingent liabilities

The partnership has total unfunded commitments with respect to its investments of EUR 7,476,393.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the rate of exchange on the transaction date. Foreign exchange adjustments arising from the difference between the exchange rates on the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Ownership interests in portfolio funds, account receivables and other debt denominated in foreign currencies are translated at the exchange rates on the balance sheet date. The differences between the exchange rates on the balance sheet date and the date on which the account receivables or payable arose are recognised in the income statement as financial income or financial expenses.

Foreign exchange adjustments of investments in portfolio funds are recognised in the income statement under profit/loss on investments.

Income statement

Gross profit or loss

Gross profit or loss comprises income from investments and external expenses.

Revenue

Income from investments includes income from investments in portfolio funds (dividend), realised gains and losses on sale and unrealised gains and losses relating to possible revaluation or depreciation of investments in portfolio funds.

Other external expenses

Other external costs include administrator expenses, fees to external consultants and the funds to general partners.

Other financial income

Financial income is recognised in the income statement by the amount relating to the financial year. Financial income comprises interest income, realised and unrealised gains in respect of transactions in listed shares, transactions denominated in foreign currencies, etc.

Other financial expenses

Financial expenses are recognised in the income statement by the amount relating to the financial year. Financial expenses comprise interest expenses, realised and unrealised losses in respect of transactions in listed shares, transactions denominated in foreign currencies, etc.

Tax on profit/loss for the year

The Partnership is not subject to taxation. Tax withheld on dividend payments from portfolio funds is charged to the income statement

Balance sheet**Other investments**

Other investments are stated at their estimated market values (fair value), fixed by the investment manager based on information received from the committed funds.

The investment manager may at its sole discretion choose to write down the investments relative to their market values as reported by the committed funds.

The estimated market value of listed portfolio companies is the quoted closing price at the balance sheet date reduced by up to 30% due to illiquidity of large stakes, lock-up periods, etc., in connection with initial public offerings and other factors constraining liquidity. The estimated market value of unlisted portfolio companies is the cost price, unless relevant information is available indicating that a significant valuation adjustment should be made. Such information could be a new trading price resulting from a capital increase or a partial sale or transactions carried out in peer group companies.

Investments in distressed securities are recognised at cost price as an estimated market value cannot be calculated.

The value at realisation of the investment may differ significantly from the estimated market value due to the uncertainty associated with stating an investment at its estimated market value and cost price.

Unrealised losses and gains as well as realised losses and gains from investments in funds are recognised in the income statement.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.