

PKA Private Funds III K/S

# Annual Report for 2025

Financial year 1/1 – 31/12

The Annual Report is presented and adopted at the annual general meeting on 22 April 2026

**Linda á Dunga Brøndum**  
Chairman

**PKA Private Funds III K/S**  
CVR NO 40 60 09 57  
Købmagergade 22, 1.  
DK-1150 Copenhagen K

## Management's statement on the Annual Report

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of PKA Private Funds III K/S for the financial year 1 January – 31 December 2025.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act and other relevant legislation.

In our opinion, the financial statements give a true and fair view of the Limited Partnership's assets, liabilities and financial position at 31 December 2025 and of the results of the Limited Partnership's operations and cash flows for the financial year 1 January – 31 December 2025.

In our opinion, Management's Review includes a true and fair account of the affairs described.

We recommend that the Annual Report be adopted at the annual general meeting.

Copenhagen, 22 April 2026

### **Executive Board**

Maria Hjorth  
CEO

### **Board of Directors**

Jeanette Engdal  
(chairman)

Linda á Dunga Brøndum

Mads Harvits

Rune Aaskov Ulbak

## Independent Auditor's Report

To the Limited Partners of PKA Private Funds III K/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2025, and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2025 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of PKA Private Funds III K/S for the financial year 1 January – 31 December 2025, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company 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 and other relevant legislation.

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 and the information requirements in other relevant legislation. 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 Company'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 Company 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 Company'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 Company'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 Company 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, 22 April 2026  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR NO. 33 77 12 31

Per Rolf Larssen  
State Authorised Public Accountant  
mne24822

## Limited Partnership information

### **The Limited Partnership**

PKA Private Funds III K/S  
Købmagergade 22, 1.  
DK-1150 Copenhagen K

CVR NO. 40 60 09 57  
Registered Office: Copenhagen  
FT-number 24587

### **General Partner**

PKA Private Funds III GP ApS  
CVR NO. 40 60 04 69

### **Board of Directors**

Jeanette Engdal (chairman)  
Linda á Dunga Brøndum  
Mads Harvits  
Rune Aaskov Ulbak

### **Executive Board**

Maria Hjorth

### **Auditor**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### **Depository**

Embankment Depository Services A/S  
Christian IX's Gade 10, 1.  
DK-1111 Copenhagen K  
FT-number 25715

### **Manager**

IIP Denmark P/S  
Købmagergade 22, 1.  
DK-1150 Copenhagen K  
FT-number 23187

## Financial highlights

<b>Key figures</b> (in million DKK)	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Income statement</b>					
Income from investments in portfolio funds etc.	436	1,264	1,892	2,703	2,754
Profit before financial items	421	1,249	1,877	2,691	2,742
Profit for the year	421	1,255	1,877	2,698	2,747
<b>Balance sheet</b>					
Investments in portfolio funds etc.	14,975	16,335	16,000	14,222	9,650
Total assets	14,989	16,350	16,002	14,250	9,657
Total equity	14,960	16,225	15,943	14,222	9,654
<b>Capital Resources</b>					
Cash and cash equivalents	3	1	2	28	1
Undrawn commitment	1,969	2,648	3,220	4,694	7,193
Total capital resources	1,972	2,649	3,222	4,722	7,194
<b>Cash flows (CF)</b>					
Cash flows from operating activities	(316)	(118)	16	27	(16)
Cash flows from investing activities	2,004	1,090	114	(1,869)	(2,901)
Cash flows from financing activities	(1,686)	(973)	(156)	1,869	2,915
Change in cash and cash equivalents for the year	2	(1)	(26)	27	(2)
<b>Financial ratios</b>					
Solvency ratio (%)	99.8	99.2	99.6	99.8	100.0
Return on equity (%)	2.7	7.8	12.4	22.6	40.3

Reference is made to definitions in accounting policies.

## Management's Review

### **Main activities**

PKA Private Funds III K/S was established in June 2019 with a capital commitment, along with PKA PF III AIV K/S, totaling DKK 19 billion from PKA.

The limited partnership aims to invest in private equity funds, infrastructure funds and co-investments with fund managers in Denmark and abroad.

PKA Private Funds III K/S has entered into a management agreement with IIP Denmark P/S in terms of handling the administration and provide investment advisory to PKA Private Funds III K/S.

### **Development in activities and financial position**

The financial year 1 January – 31 December 2025 resulted in a profit of DKK 421 million (against a profit of DKK 1,255 million in 2024) and the balance sheet reflected equity of DKK 14,960 million as of 31 December 2025.

The result is positively affected by net income from investments in portfolio funds and co-investments of DKK 436 million. This income mainly consists of net fair value adjustments of DKK 2,070 million, primarily driven by strong performance and growth in most of the underlying portfolio investments.

Furthermore, the result is negatively affected by net exchange rate adjustments of investments of DKK -1,425 million, primarily due to the significant decrease in the USD exchange rate during the financial year.

The valuation of investments in portfolio funds and co-investments is still to some extent negatively impacted by significant market uncertainties from macro conditions and policy, including trade policy.

PKA Private Funds III K/S has made a total of 31 capital commitments to underlying portfolio funds and co-investments. There have been 26 full exits and nine partial exits during the financial year. In general, the exits were completed with satisfactory results.

The limited partnership has since inception invested DKK 14,334 million in underlying portfolio investments, of which DKK 637 million was invested in 2025. During the year, the limited partnership has received distributions from portfolio investments totaling DKK 2,642 million.

The investment period expired on 30 June 2020, after which no capital commitments will be made to new portfolio funds or co-investments.

Despite most of the underlying portfolio investments show strong performance during the year, expectations for 2025 were not met due to the significant decrease in the USD exchange rate.

In this light, the result for 2025 is considered satisfactory.

### **FAIF disclosures**

Information according to the Danish Alternative Investment Fund Managers Act (FAIF) section 61 (3) nos. 5 and 6 is disclosed in the annual report (including note 3) of IIP Denmark P/S.

**Uncertainty relating to recognition and measurement**

Investments in portfolio funds and co-investments are measured at fair value as described in the accounting policies. The measurement includes accounting estimates and assumptions and is, therefore, subject to uncertainty.

**Special Risk**

**Foreign exchange currency risk**

PKA Private Funds III K/S' currency risks are related to investments in foreign portfolio funds and co-investments. The limited partnership does not hedge this risk, but considers it as an integrated and less significant part of the overall risk in a portfolio investment.

**Interest rate risk**

PKA Private Funds III K/S is less sensitive to changes in interest rate levels as the limited partnership does not employ leverage for operating and investment activities. However, the limited partnership may indirectly be affected by changes in interest rate levels as the underlying portfolio funds/companies and co-investments to some extent are using external funding, which may impact future investment results.

**Capital structure**

PKA Private Funds III K/S has a total capital commitment of DKK 15,105 million. Investors have contributed DKK 14,877 million as of 31 December 2025, equivalent to 98,5% of the total capital commitment.

Unfunded commitments amount to DKK 1,969 million as of 31 December 2025.

**Events after the balance sheet date**

No events have occurred after the balance sheet date and to this date that materially affect the assessment of the annual report.

**Outlook**

Despite strong performance in most of the portfolio investments, expectations for 2025 of DKK 1,200–1,500 million were not met due to the significant decrease in the USD exchange rate during the year.

The result for 2026 depends on the performance in the underlying portfolio funds and co-investments. Management expects continued high performance and also a high number of exits. However, it is still expected that the performance to some extent will be negatively impacted by market uncertainty arising from macro conditions and policy, including trade policy.

Management expects a result for 2026 in the range of DKK 1,200 – 1,500 million.

**Statement of corporate social responsibility (CSR)**

PKA Private Funds III K/S invests indirectly through commitments to private equity funds and selectively through co-investments alongside fund managers in Denmark and abroad. As a closed-ended private equity fund-of-funds established in 2019, and with its investment period having expired on 30 June 2020, PKA Private Funds III K/S is now in its monitoring and value protection phase.

Given that PKA Private Funds III K/S has no employees and does not conduct operational activities, responsibility for ESG integration and sustainability risk management rests with the Manager. Sustainability risks therefore arise indirectly through PKA Private Funds III K/S' underlying investments and are addressed through investment restrictions, contractual safeguards and structured monitoring of underlying fund managers.

#### Policies

Since its establishment, PKA Private Funds III K/S has been subject to the Manager's ESG guidelines and investment restrictions. In November 2025, the Board of Directors formally approved an updated ESG Investment Policy. The Policy codifies and consolidates the ESG practices applied during 2025 while further strengthening governance structures and clarifying responsibilities, without retroactively altering past investment decisions.

The Policy integrates environmental, social and governance considerations across the investment lifecycle and is guided by internationally recognised standards, including the Principles for Responsible Investment, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. It sets out defined investment restrictions and establishes a structured framework for ESG screening, risk assessment and ongoing monitoring, including regular dialogue with fund managers, portfolio-level ESG data collection and oversight through the Sustainability Committee.

#### Implementation

As the investment period expired on 30 June 2020, PKA Private Funds III K/S is no longer making new investments. The primary focus is therefore on oversight and monitoring of the existing portfolio during the holding period.

Throughout the financial year 2025, the Manager has continuously monitored compliance with the contractual investment restrictions embedded in its agreements with underlying fund managers. As part of this oversight, the portfolio has been subject to ongoing screening against the applicable exclusion criteria. The Manager maintains regular dialogue with fund managers in order to retain insight into the handling of ESG matters within underlying portfolio companies and to facilitate timely engagement should material issues arise. Where relevant, the Manager seeks to use its position as an investor to encourage fund managers to strengthen their ESG frameworks, risk management practices and reporting standards over time. Furthermore, the Manager exercises oversight through participation in governance forums such as Annual General Meetings and Limited Partner Advisory Committees.

An annual process for collecting ESG-data at portfolio company level supports this monitoring framework. In 2025, the implementation of an external ESG data management system further strengthened the Manager's structured data collection, documentation and analytical capabilities across the portfolio. The system will be applied operationally for the first full reporting cycle in 2026, enhancing consistency and comparability of ESG data going forward.

ESG governance was further strengthened in 2025 with the establishment of a Sustainability Committee. The Committee is responsible for overseeing the implementation of ESG policies, sustainability reporting and risk management processes, and for ensuring ongoing alignment with regulatory developments and industry best practice.

Based on the information available to the Manager and the monitoring activities conducted during the year, no material ESG-related incidents or breaches of the contractual investment restrictions have been identified in the portfolio in 2025.

#### Principal sustainability risks

As PKA Private Funds III K/S does not carry out operational activities, its principal sustainability risks arise indirectly through its underlying fund investments and co-investments.

These include climate-related transition and physical risks, including exposure within portfolio companies' value chains, as well as human rights, labour, environmental and business ethics risks at portfolio company level. Governance risks may arise both at fund manager level, including insufficient ESG integration or oversight, and at portfolio company level, including weaknesses in compliance and internal controls. In addition, regulatory and reputational risks may arise in sectors subject to heightened scrutiny, and limitations in ESG data quality within private markets represent an inherent transparency risk affecting effective oversight.

Given the long-term and illiquid nature of private equity investments, these sustainability risks are addressed through pre-investment due diligence (during the investment period), clearly defined investment restrictions and contractual safeguards, ongoing screening, systematic ESG data collection, and continuous monitoring and engagement with fund managers.

PKA Private Funds III K/S will maintain a proportionate, risk-based approach to monitoring sustainability risks for the rest of the holding period, updating its governance as regulations and market practices change. The fund will also keep working to enhance ESG data quality, coverage, and comparability across its portfolio.

**Sustainability update (SFDR)**

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

**Policy for data ethics**

PKA Private Funds III K/S is subject to the Manager's "IT Policy" and "Personal Data Processing Policy (GDPR)" which aims to ensure adequate data handling processes, and that personal data is processed in accordance with applicable laws and regulations, including securely and confidentially stored. The limited partnership collects and stores personal data for investors, employees and, to a lesser extent, for collaborators.

Furthermore, as part of the data governance, the limited partnership must establish effective management of its data, including controls to ensure the quality and integrity of the data used, as well as appropriate controls to ensure the security of data, including effective protection of sensitive personal information or other confidential information, and proper data backup.

The limited partnership has not adopted other policies for data ethics as the limited partnership does not process large amounts of data itself.

## Income Statement

(DKK million)	Note	2025	2024
Income from investments in portfolio funds etc.	1	436	1,264
Administrative expenses		(15)	(15)
<b>Operating profit</b>		<b>421</b>	<b>1,249</b>
Financial income		0	6
<b>Profit for the year</b>		<b>421</b>	<b>1,255</b>

Balance sheet at 31 December

	<u>Note</u>	<u>2025</u>	<u>2024</u>
<b>Assets</b>			
(DKK million)			
Investments in portfolio funds etc.		14,975	16,335
<b>Total fixed assets</b>	<b>1</b>	<b>14,975</b>	<b>16,335</b>
<b>Total non-current assets</b>		<b>14,975</b>	<b>16,335</b>
Prepayments		11	14
<b>Receivables</b>		<b>11</b>	<b>14</b>
<b>Cash and cash equivalents</b>		<b>3</b>	<b>1</b>
<b>Total current assets</b>		<b>14</b>	<b>15</b>
<b>Total assets</b>		<b>14,989</b>	<b>16,350</b>

## Balance sheet at 31 December

	<u>Note</u>	<u>2025</u>	<u>2024</u>
<b>Equity and liabilities</b> (DKK million)			
Paid-in capital		14,877	13,910
Distributions to Limited Partners		(9,007)	(6,354)
Retained earnings		9,090	8,669
<b>Total equity</b>		<u>14,960</u>	<u>16,225</u>
Other payables		29	125
<b>Total short-term liabilities</b>		<u>29</u>	<u>125</u>
<b>Total liabilities</b>		<u>29</u>	<u>125</u>
<b>Total equity and liabilities</b>		<u>14,989</u>	<u>16,350</u>

	<u>Note</u>
Prepayments	2
Cash flow – Adjustments	3
Cash flow – Change in working capital	7
Number of employees	5
Distribution of profit	6
Related parties	7
Contingent liabilities and other financial obligations	8
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## Statement of changes in equity

(DKK million)

	Paid-in capital	Distributions to Limited Partners	Retained earnings	Total
<b>Equity at 1 January 2025</b>	<b>13,910</b>	<b>(6,354)</b>	<b>8,669</b>	<b>16,225</b>
Paid-in capital	967	0	0	967
Distributions to Limited Partners	0	(2,653)	0	(2,653)
Profit for the year	0	0	421	421
<b>Equity at 31 December 2025</b>	<b>14,877</b>	<b>(9,007)</b>	<b>9,090</b>	<b>14,960</b>
Commitment	15,105			
Undrawn commitment	1,969			

	Paid-in capital	Distributions to Limited Partners	Retained earnings	Total
<b>Equity at 1 January 2024</b>	<b>12,746</b>	<b>(4,217)</b>	<b>7,414</b>	<b>15,943</b>
Paid-in capital	1,164	0	0	1,164
Distributions to Limited Partners	0	(2,137)	0	(2,137)
Profit for the year	0	0	1,255	1,255
<b>Equity at 31 December 2024</b>	<b>13,910</b>	<b>(6,354)</b>	<b>8,669</b>	<b>16,225</b>
Commitment	15,105			
Undrawn commitment	2,648			

## Cash flow statement

(DKK million)

	Note	2025	2024
Profit for the year		421	1,255
Adjustments	2	(645)	(1,430)
Change in working capital	3	(92)	51
<b>Cash flows from operating activities before financial items</b>		<b>(316)</b>	<b>(124)</b>
Financial income		0	6
<b>Cash flows from operating activities</b>		<b>(316)</b>	<b>(118)</b>
Investments in portfolio funds etc.		(637)	(998)
Distributions from portfolio funds etc.		2,641	2,088
<b>Cash flows from investing activities</b>		<b>2,004</b>	<b>1,090</b>
Paid-in capital from Limited Partners		967	1,164
Distributions to Limited Partners		(2,653)	(2,137)
<b>Cash flows from financing activities</b>		<b>(1,686)</b>	<b>(973)</b>
<b>Change in cash and cash equivalents for the year</b>		<b>2</b>	<b>(1)</b>
Cash and cash equivalents at 1 January		1	2
<b>Cash and cash equivalents at 31 December</b>		<b>3</b>	<b>1</b>

## Notes

(DKK million)

	<u>2025</u>	<u>2024</u>
<b>1. Fixed assets</b>		
Investments in portfolio funds etc.		
Cost at 1 January	11,269	10,960
Additions in the year	637	998
Disposals in the year	(1,074)	(689)
Cost at 31 December	<u>10,832</u>	<u>11,269</u>
Value adjustments at 1 January	5,066	5,040
Revaluations in the year	645	1,424
Revaluations on disposals in the year	(1,568)	(1,398)
Value adjustments at 31 December	<u>4,143</u>	<u>5,066</u>
<b>Carrying amount at 31 December</b>	<b><u>14,975</u></b>	<b><u>16,335</u></b>
<b>Specification of revaluations in the year</b>		
Realised and unrealised value adjustments	2,070	758
Realised and unrealised exchange rate adjustments	(1,425)	666
Total	<u>645</u>	<u>1,424</u>

For a description regarding valuation measurement, reference is made to "Investments in portfolio funds etc." in the accounting policies.

### Investments in private equity funds etc.

PKA Private Funds III K/S holds investments in unlisted portfolio companies structured through Danish and foreign private equity funds (buy-out funds), infrastructure funds as well as unlisted co-investments. The limited partnership does not have controlling or significant influence in the portfolio funds or co-investments in which the limited partnership has invested.

All portfolio investments in underlying portfolio funds are measured at fair value using traditional, recognised valuation methods. The fair value measurement of the underlying portfolio investments is performed by the fund managers and is based on significant unobservable inputs (level 3 in the fair value hierarchy). The value of a portfolio fund consists of the fair value of the individual portfolio company in the fund plus the value of the fund's other net assets.

The value of a portfolio company is determined based on industry conditions, market position, and earnings capacity, as well as: 1) peer group multiple, including the market value of comparable listed companies, 2) transaction multiple in recent M&A transactions involving comparable companies, 3) indicative bids from potential buyers of the portfolio company, 4) market value if the portfolio company is publicly traded, or 5) future expected sale proceeds if an agreement to sell the portfolio company has been concluded.

The limited partnership has high level of knowledge about the valuation methods and processes used by the portfolio funds for determining the fair value of portfolio investments, but has less information about the specific assumptions used for the individual investments.

In assessing the fair value reported by fund managers, management continuously monitors the performance of the portfolio investments, and also includes general market conditions in the assessment. To the extent possible, the limited partnership participates in the portfolio funds' Advisory Committee meetings, where the valuation is extensively reviewed and discussed. In addition, the limited partnership maintains ongoing dialogue with the management of the individual fund managers to assess operational and business-related aspects of the underlying portfolio companies that may have an impact on the valuation. Based on this, adjustments are made to the reported values of the portfolio funds.

The valuation includes accounting estimates and assumptions and is therefore subject to some uncertainty.

The investments made by portfolio funds are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

**Level 1** – Inputs based upon quoted prices for identical assets and liabilities in active markets.

**Level 2** – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

**Level 3** – Unobservable input.

**Fair value measurement as of 31 December 2025 (DKK million)**

	Level 1	Level 2	Level 3	Total
Investments in private equity funds etc.	0	0	14,975	14,975
<b>Total</b>	<b>0</b>	<b>0</b>	<b>14,975</b>	<b>14,975</b>

**Fair value measurement as of 31 December 2024 (DKK million)**

	Level 1	Level 2	Level 3	Total
Investments in private equity funds etc.	0	0	16,335	16,335
<b>Total</b>	<b>0</b>	<b>0</b>	<b>16,335</b>	<b>16,335</b>

**2. Prepayments**

Prepayments consist of prepaid expenses concerning management fees.

(DKK million)

	<u>2025</u>	<u>2024</u>
<b>3. Cash flow - Adjustments</b>		
Income from investments in portfolio funds etc.	(645)	(1,424)
Financial income	0	(6)
Financial expenses	0	0
	<u>(645)</u>	<u>(1,430)</u>
<b>4. Cash flow – Change in working capital</b>		
Prepayments	4	(14)
Other payables	(96)	65
	<u>(92)</u>	<u>51</u>
<b>5. Number of employees</b>		
Average number of employees	<u>1</u>	<u>1</u>
<b>6. Distribution of profit</b>		
<b>Proposed distribution of profit</b>		
Retained earnings	421	1,255
<b>Profit for the year</b>	<u>421</u>	<u>1,255</u>

**7. Related parties**

Related parties consist of the General Partner PKA Private Funds III GP ApS, Pensionskassen for Sygeplejersker og Lægeseekretærer, Pensionskassen for Socialrådgivere, Socialpædagoger og Kontorpersonale and Pensionskassen for Sundhedsfaglige.

All transactions with related parties were conducted on an arm's length basis.

**8. Contingent liabilities and other financial obligations**

The limited partnership has no collaterals or contingent liabilities as of 31 December 2025.

	<u>2025</u>	<u>2024</u>
<b>9. Fees paid to independent auditor appointed at the general meeting</b>		
Fee regarding statutory audit	0.2	0.2
	<u>0.2</u>	<u>0.2</u>

**10. Events after the balance sheet date**

No events have occurred after the balance sheet date and to this date that materially affect the assessment of the annual report.

#### **11. Accounting policies**

The annual report of PKA Private Funds III K/S for 2025 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The presentation of the income statement deviates from the reporting form shown in schedule 2 of the Danish Financial Statements Act as the presentation has been adapted to the nature of the limited partnership's activity.

The accounting policies applied are unchanged compared to last year.

The financial statements for 2025 are presented in Danish Kroner (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.

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.

#### **Foreign currency translation**

Transactions denominated in foreign currencies are translated into DKK using the exchange rates at the date of transaction. Investments, receivables and payables denominated in foreign currencies are translated into DKK using the exchange rate at the balance sheet date. Realised and unrealised exchange rate adjustments are recognised in the income statement.

#### **Related parties**

In accordance with section 98c ( 6) of the Danish Financial Statements Act, the limited partnership discloses related party transactions only where such transactions are not carried out on arm's length terms or are otherwise considered material to the financial statements.

#### **Income statement**

##### **Income from investments in portfolio funds etc.**

Income from investments in portfolio funds etc. includes dividends, interests, realised and unrealised value adjustments, as well as realised and unrealised exchange rate adjustments related to transactions in foreign currency etc.

**Administrative expenses**

Administrative expenses include management fees and other costs incurred by the limited partnership.

**Financial income**

Financial income comprise interest on bank deposits, realised and unrealised exchange rate adjustments etc.

**Tax**

The limited partnership is not independently liable to tax, and therefore, no tax is recognised in the financial statements.

**Balance sheet**

**Investments in portfolio funds etc.**

Investments in portfolio funds etc. pertain to the limited partnership's investments in portfolio companies structured through Danish and foreign private equity funds, infrastructure funds as well as co-investments.

Unlisted investment assets are measured at fair value in accordance with the IPEV Valuation Guidelines. The valuation is based on the latest reporting received from underlying portfolio funds. This reporting includes a fair value assessment of each portfolio company based on traditional, recognised valuation methods. The value of a portfolio fund consists of the fair value of the individual portfolio company in the fund plus the value of the fund's other net assets.

In assessing the fair value reported by fund managers, management continuously monitors the performance of the portfolio investments, and also includes general market conditions in the assessment. In addition, the limited partnership maintains ongoing dialogue with the management of the individual fund managers to assess operational and business-related aspects of the underlying portfolio companies that may have an impact on the valuation. Based on this, adjustments are made to the reported values of the portfolio funds.

The valuation includes accounting estimates and assumptions and is therefore subject to some uncertainty.

**Receivables**

Receivables are measured at the lower of amortised cost or net realisable value which usually corresponds to nominal value less write-downs for anticipated losses.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash and cash equivalents**

Cash and cash equivalents include deposits at banks and are measured at fair value.

**Equity**

Equity includes paid-in capital, distributions to Limited Partners and retained earnings.

**Financial liabilities**

Financial liabilities are measured at amortised cost, usually corresponding to nominal value.

**Cash flow statement**

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing, and financing activities, as well as cash and cash equivalents at the beginning and the end of the financial year.

**Cash flows from operating activities**

Cash flows from operating activities are presented as profit for the year adjusted for changes in working capital and non-cash operating items such as income from portfolio funds etc. The working capital includes current assets less short-term liabilities, excluding items included in cash and cash equivalents.

**Cash flows from investing activities**

Cash flows from investing activities include cash flows from investments in and distributions from private equity funds and co-investments.

**Cash flows from financing activities**

Cash flows from financing activities comprise contributions from and distributions to Limited Partners.

**Cash and cash equivalents**

Cash and cash equivalents include cash funds in open accounts.

**Financial highlights**

The key financial ratios listed in the financial highlights are defined as follows:

$$\text{Solvency ratio (\%)} = \frac{\text{Equity at year end} \times 100}{\text{Total assets}}$$

$$\text{Equity ratio (\%)} = \frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$