



Capidea Kapital III K/S

Grønningen 25, st.
1270 København K
CVR No. 39184168

Annual report 2024

The Annual General Meeting adopted the
annual report on 30.04.2025

Gert Eg
Chairman of the General Meeting

Contents

Fund details	2
Statement by the Management on the annual report	3
Management commentary	4
Independent auditor's report	8
Statement of comprehensive income	11
Statement of financial position as at 31.12.2024	12
Statement of changes in net assets attributable to the Limited Partners	14
Statement of cash flows	15
Table of notes	16
Notes to the financial statements	17

Fund details

Fund

Capidea Kapital III K/S
Grønningen 25, st.
1270 København K

Business Registration No.: 39184168
Registered office: København
Financial period: 01.01.2024 - 31.12.2024

General Partner

Capidea Komplementar III ApS

Fund Manager

Capidea Management ApS
Registered Manager of Alternative Investment Funds (Danish FTID number: 23135)

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S
Denmark

Statement by the Management on the annual report

The executive board has today considered and approved the annual report of ~~the Fund~~ Capidea Kapital III K/S for the financial period 01.01.2024 31.12.2024

The annual report is presented in accordance with the IFRS Accounting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2024 and of the results of its operations and the cash flows for the financial period 01.01.2024 31.12.2024

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, 07.02.2025

On behalf of Capidea Komplementar III ApS

Erik Balleby Jensen

Ulrik Nicolai Jungersen

Martin Jørgensen

Management commentary

Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Operating profit/(loss) (EBIT)	4,380	(31,719)	96,914	106,060	47,712
Increase / (decrease) in net assets attributable to Limited Partners	4,505	(30,630)	96,829	106,033	47,689
Net Assets attributable to Limited Partners	368,350	386,600	476,029	541,413	253,234
Total Assets	368,600	386,823	476,302	541,617	253,438
Ratios					
Solvency ratio (%)	99.93	99.94	99.94	99.96	99.92
Distributed to Paid in	80.00	74.00	62.00	25.00	31.00

Financial highlights are defined and calculated as below.

Ratios	Calculation formula	Ratios reflect
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The Fund's financial strength
Distributed To Paid In (DPI)	$\frac{\text{The value of distributions to investors}}{\text{Contributed capital from investors}}$	The Fund's realisation

Primary activity

The objective of Capidea Kapital III K/S (the Fund) is to perform long-term investments in small and mid-sized Danish enterprises, either directly or through wholly or partially owned holding companies, with focus on trade, service and industry and related areas.

Decisions made to invest in a portfolio enterprise is made by the Investment Committee based on recommendations prepared by Management, Capidea Management ApS.

Investments

From the establishment and until 31.12.2024, the Fund has acquired ten enterprises of which one has been sold in 2023, one was sold in 2022 and one was sold in 2020. The fund is in the realisation period and no new platform investments will be made.

The Fund has acquired the majority of voting rights in all of its portfolio enterprises.

Presentation of portfolio companies:

T.A.P. ApS (Nordic Well Group)

T.A.P. develops, produces and sells vitamins and dietary supplements to private customers either directly to the consumer branded “Wellvita” or indirectly via wholesalers and retail stores branded “Mezina” or under private label under “Fitness Pharma” (the company was rebranded Nordic Well Group in 2024). T.A.P. has its own developed products and a total product portfolio of more than 50 products. Wellvita has more than 55,000 active customers, many of whom buy on subscription like basis, thus generating recurring revenue and earnings. Denmark is the largest market making up more than half of the revenue, while the second largest markets are Norway (15%) and Sweden (10%). T.A.P. is headquartered in Esbjerg, Denmark, and has 69 employees.

European House of Beds – Denmark A/S

European House of Beds designs and produces beds and mattresses for retailers and e-commerce, primarily to the Danish, Norwegian and the Swedish markets. European House of Beds operates through the use of their own brands, i.e. LivingBed, and through customer brands for leading e-tailers and retailers. The retail market in Denmark is consolidated with Ikea and Jysk Group having far the largest market shares. European House of Beds is headquartered in Horsens, Denmark, and has 75 employees.

Holiday Group Invest A/S

Holiday Group is an online travel agency providing the consumers with an aggregated offering of vacation rentals from the partners. Holiday Group has partnerships with all major organisers in Denmark and thus provides the consumer with a broader offering of rental homes than each partner does directly. Holiday Group has built its leading position based on the widest offering of rental listings in Denmark, a strong online presence and an own developed IT platform acting as the backbone of the company. Holiday Group consists of several brands and websites, forming a leading online provider of vacation rentals in Denmark, servicing primarily Danish and German consumers. The company has 29 employees.

Dancover A/S

Dancover is a European e-commerce market leader within tent and storage solutions. The Company has a large product program spanning across product categories such as tents for parties and events, storage tents, sheds, tents for garden use and pavilions. The company sells directly to both B2B and B2C customers world-wide, with its primary markets being within Europe (approx. 80% of sales are export). The B2B customers mainly buy the products for own use and not for resale. Dancover sells its products under its own brands and sources most of the products from suppliers in Asia. Dancover is headquartered in Hellebæk, Denmark, and employs approx. 60 employees.

Fairpoint Outdoors A/S

Fairpoint Outdoors develops, sells and distributes sport fishing equipment, primarily to the Nordic and European markets and to a lesser extent to the North American market. The company covers a broad range of sportfishing tackle under the two own brands: Westin and Kinetic. Fairpoint Outdoors A/S employs more than 76 employees and is headquartered in Allerød.

Maki A/S

With more than 60 brands, Maki is the leading distributor of toys in the Nordics. Maki's suppliers are large international toy brands such as Mattel, Spinmaster, Schleich, Hape, etc. Maki provides a wide range of services to the toy brands, which – besides the traditional logistical and sales services – include online and off-line marketing functions. Maki's customers are a broad range of Nordic retailers (such as Salling Group, Coop, ICA, Lekia, etc.) and webshops (Amazon, Coolshop, jollyroom, Proshop). Maki is located in Hørning and has 81 employees.

Guldager A/S

Guldager develops, sells and services water treatment plants and associated services for use in property management, industry, catering, hospitals and the energy sector. Guldager's business areas include: Service and spare parts, sales of products within corrosion protection, bacteria protection and desalination, etc. as well as water treatment solutions. The company has its headquarter in Allerød, subsidiaries in Belgium, Switzerland, Germany, Norway and Sweden, and employs 132 employees

Development in activities and finances

Profit/loss for the year showed a profit of DKK 4,505 thousand, primarily reflecting the development in the portfolio companies and the market for unlisted companies in general. The performance and valuation of the Fund's portfolio companies have to various degrees been affected by the strong fundamental economic situation in Denmark but negatively affected by the soft consumer spending in the Nordics.

Uncertainty relating to recognition and measurement

The objective of the Fund is to contribute capital to competitive enterprises. The most significant risk factor is thus changes to the values of the investments made.

As described under accounting policies, investments in portfolio companies are measured at fair value.

As the portfolio companies are medium-sized unlisted companies, determining fair value is naturally associated with uncertainty. It is Management's assessment that the fair value measurement at 31.12.2024 is well founded and based on reasonable and realistic assumptions.

Unusual circumstances affecting recognition and measurement

Except for the fair value changes on investments, the annual report is not influenced by unusual circumstances.

Information according to the Alternative Investment Fund Managers Directive

According to Article 22 of the Alternative Investment Fund Managers Directive, Alternative Investment Funds (AIF) must make certain disclosures to investors in connection with the presentation of financial statements.

During the financial period covered by the financial statements, there have been no significant changes in the matters below:

- The Fund's Investment strategy;
- Valuation principles of the Fund's investments;
- The percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature;
- New arrangements for managing the Fund's liquidity;

- The Fund's risk profile and the risk management systems implemented by the Fund Manager used to manage the Fund's risks;
- There have been no amendments to the maximum level of leverage which the Fund Manager can use on behalf of the Fund. Nor has there been any changes in the right to use collateral or any guarantee accordance with the agreement allowing for the leverage.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Periodic disclosure for Article 6 financial product

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

Independent auditor's report

To the limited partners of Capidea Kapital III K/S

Opinion

We have audited the financial statements of Capidea Kapital III K/S for the financial period 01.01.2024 to 31.12.2024, which comprise the statement of comprehensive income, balance sheet, statement of changes in net assets, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2024 of the results of its operations and cash flows for the financial period 01.01.2024 to 31.12.2024 in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements of 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 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.

General Partner's responsibilities for the financial statements

The General Partner is responsible for the preparation of financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as the General Partner 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, the General Partner is responsible for assessing the Fund'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 the General Partner either intends to liquidate the Fund 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

General Partner 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, 07.02.2025

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant

Identification No (MNE) mne32127

Rasmus Grynderup Kiær Steffensen

State Authorised Public Accountant

Identification No (MNE) mne44143

Statement of comprehensive income

	Notes	2024 DKK'000	2023 DKK'000
Realised gains/(losses) from financial assets at fair value	3	34,821	669
Net increase/(decrease) in unrealised gains/(losses) from financial assets at fair value	3	(24,097)	(25,957)
Operating income/(loss)		10,724	(25,288)
Administrative expenses	4	(6,344)	(6,429)
Other operating expenses		0	(2)
Operating expenses		(6,344)	(6,431)
Operating profit/(loss) (EBIT)		4,380	(31,719)
Financial income	5	125	1,089
Increase / (decrease) in net assets attributable to Limited Partners		4,505	(30,630)
Comprehensive income		4,505	(30,630)

Statement of financial position as at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Investments in portfolio companies	6	366,107	369,754
Investments		366,107	369,754
Non-current assets		366,107	369,754
Other receivables	7	452	456
Cash and cash equivalents		2,041	16,613
Current assets		2,493	17,069
Total assets		368,600	386,823

Net assets and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Limited partnership capital	8	142,378	165,133
Retained earnings		225,972	221,467
Net assets attributable to Limited Partners		368,350	386,600
Other payables	9	250	223
Current liabilities		250	223
Total liabilities		250	223
Total liabilities and net assets attributable to Limited Partners		368,600	386,823

Statement of changes in net assets attributable to the Limited Partners

	Limited partnership capital DKK'000	Retained earnings DKK'000	Total DKK'000
Net assets 01.01.2024	165,133	221,467	386,600
Contributions from Limited Partners	26,452	0	26,452
Distributions to Limited Partners	(49,207)	0	(49,207)
Profit/(loss) for the period	0	4,505	4,505
Net assets 31.12.2024	142,378	225,972	368,350

	Limited partnership capital DKK'000	Retained earnings DKK'000	Total DKK'000
Net assets 01.01.2023	223,932	252,097	476,029
Contributions from Limited Partners	25,914	0	25,914
Distributions to Limited Partners	(84,713)	0	(84,713)
Profit/(loss) for the period	0	(30,630)	(30,630)
Net assets 31.12.2023	165,133	221,467	386,600

The Partners have committed themselves to contributing up to DKK 844.000 thousand into the Fund, as and when new capital is required for making investments, paying fund costs etc. Of the total committed capital, the Partners have paid-in net DKK 728.418 thousand at 31.12.2024. The remaining contribution balance is DKK 115.582 thousand. Distributions to Partners comprise return of capital and realized gains.

Statement of cash flows

	Notes	2024 DKK'000	2023 DKK'000
Operating profit/(loss) (EBIT)		4,380	(31,719)
Net increase/(decrease) in unrealised gains/(losses) from financial assets at fair value through profit or loss		24,097	25,957
Realised gains/(losses) from financial assets at fair value	(34,821)	(669)	
Working capital changes		66	430
		(6,278)	(6,001)
Received financial income	5	125	1,089
Cash flows from operating activities		(6,153)	(4,912)
Income from sale of portfolio enterprises		0	98,163
Investments in portfolio enterprises	(20,485)	(24,800)	
Dividends from portfolio enterprises	34,821	0	
Cash flows from investing activities		14,336	73,363
Contributions from Limited Partners		26,452	25,914
Distributions to Limited Partners	(49,207)	(84,713)	
Cash flows from financing activities		(22,755)	(58,799)
Increase/decrease in cash and cash equivalents		(14,572)	9,652
Cash beginning of year		16,613	6,961
Cash end of year		2,041	16,613

Table of notes

1	Accounting policies	17
2	Significant accounting estimates, assumptions and uncertainties	22
3	Fair value adjustments	22
4	Administrative expenses	22
5	Financial income	23
6	Investments	24
7	Other receivables (Current)	26
8	Limited Partnership capital	26
9	Other payables	26
10	Financial instruments	27
11	Financial risk management	27
12	Financial instruments measured at fair value	28
13	Related parties	31
14	Contingent liabilities	31
15	Investors	31
16	Events after the balance sheet date	32
17	Authorisation of the annual report for issue	32

Notes to the financial statements

1 Accounting policies

Reporting class

The financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The expected lifetime of the Limited Partnership is 10 years from the date of commence as set out in the Limited Partnership Agreement. The Limited Partnership qualifies as an alternative investment fund in compliance with the AIFMD.

The financial period runs from 1 January to 31 December each year. The accounting policies applied to these financial statements are consistent with those applied last year.

The financial statements are presented in ~~DKK~~, ~~DKK~~ is the functional currency of the Fund.

The Fund is determined to be an investment entity in accordance with IFRS 10, Consolidated Financial Statements, and has therefore accounted for subsidiaries as investments designated at fair value through profit or loss where all criteria according to IFRS 10 are met.

The financial statements are presented on the basis of going concern.

The Fund's has not entered into any leasing agreements subject to IFRS 16, Leases.

The financial statements are presented on the basis of historical cost, except for the investments and receivables from investments, which are measured at fair value. Historical cost is based on the fair value of the consideration given in exchange for assets.

All amounts in the financial statements are presented in whole ~~thous~~ ~~DKK~~. Every figure is rounded off separately and, for that reason, minor differences between the stated totals and the sum of underlying figures may occur.

Judgements made by Management in the application of the IFRS Accounting Standards that have had significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements

Defining materiality

If a line item is not individually material, it is aggregated with other items and notes of a similar nature in the financial statements or in the notes. There are substantial disclosure requirements throughout the IFRS Accounting Standards. Disclosures required by the IFRS Accounting Standards are provided unless the information is considered immaterial to the economic decision making of the users of these financial statements or not applicable.

The most significant accounting policies are set out below.

Report on the exemption of preparation of consolidated financial statements

Capidea Kapital III K/S has omitted to prepare consolidated financial statements under the provisions of IFRS 10, Consolidated Financial Statements, as the Limited Partnership qualifies as an investment entity. The definition of an investment entity is an entity that:

- Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

In view of the circumstances described below, the General Partner believes that the Fund satisfies the typical criteria of an investment entity that:

- The Fund has more than one investment.
- The Fund has more than one investor and its investors are not related parties. Please refer to the description in ~~note~~ to the financial statements.
- The Fund's investments take the form of equity instrument or similar investments (portfolio companies).

As a result, the General Partner has applied the exemption rule in IFRS 10 not to prepare consolidated financial statements where the controlled subsidiaries are consolidated, and instead the controlled subsidiaries are accounted for at fair value through profit or loss.

Standards and Interpretations not yet in force

All of the new and amended Standards and Interpretations which are relevant to the Fund, and which came into force with effect for financial years beginning 01.01.2024 have been applied when preparing the financial statements.

These Standards have not had an impact on the Fund's Annual Accounts.

- present specified categories and defined subtotals in the statement of profit and loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

IFRS 18 amendments are effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will apply retrospectively.

It is expected that the application of these amendments may have an impact on the Fund's financial statements in future periods.

Significant accounting judgment and estimates

As part of the preparation of the financial statements, the General Partner made judgements and estimates which affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. The most significant accounting judgements and estimates are evident from note 2 to the financial statements.

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 Fund, and the value of the asset can be measured reliably. Assets are derecognised in the balance sheet when it is no longer probable that future economic benefits will flow to the Fund.

Liabilities are recognised in the balance sheet when the Fund has a legal or constructive obligation as a result of an event prior to or on the balance sheet date, and it is probable that future economic benefits will flow out of the Fund, and the value of the liability can be measured reliably. Liabilities are derecognised in the balance sheet when it is no longer probable that economic benefits will have to be given up to settle the liability.

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

Foreign currency translation

The functional currency reflects the currency in which the Limited Partners have committed themselves to the Fund as well as the currency in which the Fund pays the Fund Manager for carrying out investment related services. Investments and loans are carried out in different currencies and hence considered less relevant in terms of influencing the choice of functional currency. The financial statements of the Fund are presented in the currency unit ~~DKK~~ which is the Fund's functional and presentation currency.

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date or the rate at the balance sheet date are recognised in the statement of comprehensive income as financial income or financial expenses.

Statement of comprehensive income

Revenue recognition

Income from investments in portfolio enterprises comprises gains/losses from divestments, fair value changes and received dividends and other similar types of returns from the investments.

Operating income

Income from investments in portfolio enterprises comprises gains/losses from divestments, fair value changes and received dividends and other similar types of returns from the investments.

Gains/losses from divestment of investments in portfolio enterprises are stated as the difference between the selling price or disposal consideration and the carrying amount of the portfolio enterprises at the time of sale or disposal, respectively.

Dividends from investments in portfolio enterprises are recognised as income when final entitlement to the dividends is obtained, which is usually at the time of the approval of the declaring dividends by the portfolio enterprise.

Administrative expenses and other operating expenses

All expenses are recognised in the statement of comprehensive income on an accrual basis.

Administrative expenses and other operating expenses comprise expenses incurred during the reporting period not directly related to the Fund's investment activities. The Fund pays the Fund Manager an annual fee for carrying out investment related activities and administration. The fee is calculated in accordance with the criteria set out in the Limited Partnership Agreement.

Administrative expenses and other operating expenses which can be directly allocated to specific investments are recognised in the underlying project companies when the investment structure is formally in place.

Administrative expenses and other operating expenses that do not relate to the Fund's investment activities or is investment specific are recognised as expense by the Fund. Such costs comprise among others financial, legal and tax advisory, audit, bookkeeping, travel costs and General Partner fee.

Financial income and expenses

Financial income and expenses comprise interest income and various expenses, and net exchange rate adjustments on transactions in foreign currencies.

Interest income and interest expenses are recognised on an accrual basis.

Taxation

Under current Danish law governing the Fund, it is not independently taxable because the Fund's profit/loss for the year is included in the Limited Partners' taxable income.

The annual report does not include current or deferred tax due to the corporate form of the Fund.

Balance sheet

Investments in and loans to portfolio companies

Financial assets and liabilities are recognised at fair value through profit or loss when the Fund becomes party to the contractual provisions of the instrument. Recognition takes place on the trade date when the Fund purchases or sells an investment under a contract whose terms require delivery of the investment within the time frame established by the market.

On initial recognition, investments and receivables from investments are measured at fair value and subsequently measured at fair value with recognition of fair value adjustments through profit or loss.

Financial assets and liabilities are derecognised when the contractual rights to the cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Investments consist of equity investments and receivables from investments consist of loans. On initial recognition, investments are measured at fair value, and subsequently measured at fair value with recognition of fair value adjustments through profit or loss. Receivables from investments are measured at fair value through profit or loss under IFRS 9, Financial Instruments.

The fair value is calculated equivalent to an estimated fair value that is determined based on market information, IPEV Valuation Guidelines and generally accepted valuation techniques, including benchmarking, DCF or other relevant methods, which are considered to provide the best estimate of the fair value.

For further information about the measurement of fair values, please refer to note . 8

Carried interest

Holders of carried interest (Partner Investment Company) receive a return on their investment that is dependent on the yield of the underlying investments throughout the lifecycle of the Fund. The amount allocated to carried interest is based on the principle that the investments are realized at the balance date at a price corresponding to the estimated fair value of the assets.

Carried interest is calculated based on the overall performance net of cost and expenses of the portfolio of all investments as maximum 20% of net cash flows exceeding the agreed 8% minimum return (the Hurdle Rate). Carried interest is paid out with ordinary distributions based on adjusted economic rights which reflect an annual allocation of carried interest as if such carried interest had been re-invested into the Fund.

Distributions of carried interest to the holders are subject to provision as defined in the Limited Partnership Agreement. Carried interest will be allocated to specific commitment classes based on the carrying value of the investments at year end. However, distributions of carried interest are not paid to the specific commitment classes until the sale of investments are realized.

Carried interest is accounted for under income from investments in the profit and loss. If the conditions for carried interest are fulfilled the fair value of investments are reduced by carried interest.

Other receivables (Current)

Other receivables relate to the Fund's ordinary business activities.

Other receivables are measured at amortised cost, usually equaling nominal value.

Cash and cash equivalents

Cash comprises cash in bank deposits.

Other financial liabilities

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

Cash flow statement

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

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items and working capital changes attributable to the operating activities.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of investment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and payment of distributions to the Limited Partners as well as the raising of loans and instalments on interest-bearing debt, if any.

Cash comprises cash in bank deposits.

2 Significant accounting estimates, assumptions, and uncertainties

Capidea Kapital III K/S invests in portfolio enterprises, which primarily includes equity investments and to a smaller extent contribution of loans to development-oriented enterprises, and which may require continuous contribution of capital. The investments are accounted for at fair value through profit or loss. When measuring the fair value of the unlisted investments, the General Partner assesses the development stage of the portfolio enterprises compared to the initial plans at the time of making the initial investments, future financing requirements, commercialisation possibilities, timing of exit and possible exit values.

The fair value of each unlisted portfolio enterprise is determined in accordance with commonly used valuation principles based on IPEV's Valuation Guidelines, taking into account the assessment of the development stage of the enterprise as well as its market potential and expected cash flows in order to reflect the fair value of the portfolio enterprise in the best way possible. Methods and assumptions for determining the fair value of investments in unlisted portfolio enterprises are described in note 12.

3 Fair value adjustments

	2024	2023
	DKK'000	DKK'000
Net increase/(decrease) in realised gains/(losses)	34,821	669
Net increase/(decrease) in unrealised gains/(losses)	(24,097)	(25,957)
Fair value adjustment	10,724	(25,288)

Realised gains in the financial period of TDKK 34,821 comprise of dividends received from portfolio companies.

4 Administrative expenses

The Fund has no employees.

Administrative expenses include management fee for the period to Capidea Management ApS in accordance with the Limited Partnership Agreement and management agreement. For further information about management fee, please refer to note 13.

Also, administrative expenses include fees to audit, advisors and other professional fees.

	2024	2023
	DKK'000	DKK'000
Management fee	5,987	5,914
Other administrative expenses	357	515
Administrative expenses	6,344	6,429

According to Article 107 of the AIFMD Level 2 Regulation and paragraph 61 section 3 (5 and 6) of the Alternative Investment Fund Managers etc. Act, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager and the number of beneficiaries. Furthermore, remuneration to material risk-takers must be disclosed.

The Fund Manager must also disclose the information necessary to provide an understanding of the risk profile of the Fund and the measures that the Fund Manager takes to avoid or manage conflicts of interest between the Fund Manager and the Limited Partners. The Board of Directors has adopted a remuneration policy in order to ensure that the employees and Management are remunerated according to the Danish Executive Order on remuneration policy and disclosure requirements on remuneration for managers of alternative investment funds, etc.

The remuneration policy ensures, among other matters, that the following is applied in relation to remuneration at the Fund Manager:

- Promoting of sound and effective risk management, which does not encourage excessive risk-taking.
- Consistency with the principles regarding the protection of the Limited Partners and measures in order to avoid conflicts of interest.

In accordance with paragraph 61 section 3 (5 and 6) of the Alternative Investment Fund Managers etc. Act, information regarding salaries paid to employees of the fund manager is disclosed in the Annual Report for for Capidea Management ApS , CVR no. 39144735.

2024

No carried interest was paid out by the Fund during the financial period.

5 Financial income

	2024	2023
	DKK'000	DKK'000
Interest income	125	1,089
Financial income	125	1,089

6 Investments

	Investments in portfolio companies 2024 DKK'000	Investments in portfolio companies 2023 DKK'000
Cost at beginning of period	344,636	380,836
Additions	20,450	24,800
Divestments	0	(61,000)
Cost at end of period	365,086	344,636
Fair value adjustments at beginning of period	25,118	87,676
Divestments	0	(37,269)
Fair value adjustments	(24,097)	(25,289)
Fair value at end of period	1,021	25,118
Carrying amount at end of period	366,107	369,754

Fair value adjustments for the financial period amounts to DKK -24,097 thousand, of which DKK -34,821 thousand relates to dividends received from portfolio companies with no corresponding cost divestments.

Investments	Corporate form	Registered in	Equity interest %	Profit/(loss) DKK'000	Equity DKK'000
* TOPCAP T ApS (T.A.P.)	ApS	Denmark	98.00	(41)	55,627
* TOPCO E ApS (European House of Beds)	ApS	Denmark	98.00	(11,048)	13,878
* TopCo H ApS (Holiday Group Invest)	ApS	Denmark	98.00	517	44,488
* TopCo M ApS (Maki)	ApS	Denmark	98.00	20,671	132,462
* TopCap Guldager ApS (Guldager)	ApS	Denmark	98.00	(6,406)	44,952
* TopCo FX ApS (Fairpoint Outdoors)	ApS	Denmark	98.00	(60)	48,595
* TopCap D ApS (Dancover)	ApS	Denmark	98.00	844	43,112

* The Company has not yet presented its annual report for 2024, these financial figures comprise 2023.

Consistently with the accounting policies, the Fund regularly adjusts the value of the investments to the best estimate of fair value. This means that the proportionate share of operating profit or loss for the Companies is not recognised in profit or loss of the Fund, but rather a fair value adjustment of the investment. The General Partner regularly and at least on a quarterly basis reviews the fair value of its portfolio enterprises in connection with its non-public reporting to its Limited Partners and in connection with the preparation of the financial statements.

The methods applied by the Fund to measure investments are evident from ~~note~~ to the financial statements.

7 Other receivables (Current)

	2024	2023
	DKK'000	DKK'000
Other receivables	452	456
	452	456

The carrying amount of receivables relates to disbursements on behalf of investments.

8 Limited partnership capital

	2024	2023
	DKK'000	DKK'000
Limited Partners' contribution at beginning of year	165,133	223,932
Contributions from Limited partners	26,452	25,914
Distributions to Limited partners	(49,207)	(84,713)
Limited Partners' contribution at end of year	142,378	165,133

The limited partners' contributions are not divided into classes. Special rights (carried interest rights) are attached to the distribution of dividends from the enterprise when the total realised gains of the enterprise exceed an agreed minimum interest rate of 8% p.a. of the cash injections of the Limited Partners. The calculation is made according to the so-called "European Waterfall" method.

9 Other payables

	2024	2023
	DKK'000	DKK'000
Other payables	171	223
Payable to Fund Manager	79	0
Other payables	250	223

The carrying amount of payables relates to legal fees, auditor's fees, travel costs etc. The amount recognised is equal to the fair value of the liabilities.

Other payables fall due for payment within 12 months.

10 Financial instruments

Categories of financial instruments:

	2024 DKK'000	2023 DKK'000
Equity investments	366,107	369,754
Financial assets measured at fair value through profit or loss	366,107	369,754
Other receivables	452	456
Receivables measured at amortised cost	452	456
Other payables	250	223
Financial liabilities measured at amortised cost	250	223

All financial liabilities are due for payment within 12 months.

11 Financial risk management

The General Partner is ultimately responsible for the overall risk management within the Fund but has delegated the responsibility to the Fund Manager.

The Fund pursues an investment strategy approved by the Limited Partners and invests in small and mid-sized Danish enterprises.

The Fund's risk management processes include identification, measurement, monitoring, reporting and mitigation of the identified risks to minimise the potential negative effects at fund level.

The Fund continuously manages and reduces risks by:

- in-depth business, technical, financial and legal due diligence before an investment is made;
- the conclusion of shareholder agreements in order to ensure the best possible protection and freedom of action of the Fund;
- continuous close monitoring of portfolio companies and active ownership.

Key financial risk factors and exposure regarding the financial statements 2024 can be categorised as follows:

Financial risk factors

Liquidity risks

	Less than 1 year DKK'000	Between 1 year and 5 years DKK'000	After 5 years DKK'000	Total DKK'000
Other payables	250	0	0	250
31.12.2024	250	0	0	250

	Less than 1 year DKK'000	Between 1 year and 5 years DKK'000	After 5 years DKK'000	Total DKK'000
Other payables	223	0	0	223
31.12.2023	223	0	0	223

The Fund manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. In addition, the Fund is able to draw on uncalled commitments from its investors to meet its obligations if needed. In addition, no indication of the Limited Partners' inability to contribute the remaining fund commitment exists as well as future income from investments is expected to settle the outstanding amount.

Credit risks

In some cases, the Fund can provide loans to its portfolio enterprises, but has not. These loans are considered part of the investments and are, therefore, not considered to represent a separate credit risk, but are rather considered being part of the total investment risk and risk relating to determining a fair value of the investments.

In some cases, the Fund has receivables from the sale of investments. Typically, the payment is secured by the buyer depositing the receivable on escrow accounts in accepted credit institutions, and, therefore, the credit risk is considered limited. At 31 December 2024, the Fund has not been exposed to any credit risks.

Interest rate risk

The risk related to the interest rate implies that the portfolio enterprises work with loan capital and are thus affected by the interest rate level. An increase in interest rate level constitutes a potential risk for the fair value of the investments.

12 Financial instruments measured at fair value

The fair values of the individual investments are calculated on the basis of methods that best reflect individual investment risks, life cycle, and industry conditions. Generally applicable, the fair value is calculated in accordance with IPEV valuation guidelines and accepted valuation methods, including multiple analysis/benchmarking or other relevant methods

The fair value of the investments is measured on a quarterly basis, or more frequently if significant changes occur.

The Fund Manager has implemented procedures and methodology to ensure that the valuation is carried out consistently over time and across investments.

Methods applied in and assumptions underlying the determination of fair values of investments

The fair value of each investment and receivables from investments has been estimated by applying methods that best reflect the risks and the stage of each investment, e.g., assumptions related to power prices, inflation rates, technical availability and discount rate.

In general, the fair value is determined in accordance with IPEV Valuation Guidelines and generally accepted valuation techniques, including DCF models, benchmarking or other relevant methods. The valuation approach incorporates all of the factors that market participants would take into account in pricing a transaction, such as cash flows, discount rates and yield curves assumptions.

The valuation of equity investments and receivables from investments is based on the same methods, as equity investments and receivables from investments are exposed to the same risks, regardless of the funding method.

Peer group multiple

The peer-group multiple method uses comparable companies where market value and earnings are known. On this basis, a market level for primarily e.g. EV/EBITDA is calculated for the comparable companies.

The calculated EV /EBITDA is then capitalised on the basis of a normalised EBITDA for the individual portfolio companies which, by adjustment for net interest-bearing debt, yield the value of the investments.

In using the method, the Fund assesses which multiples can be used and assesses the determination of normal earnings in the portfolio companies, including assessing the sensitivity of the values when changing the model's variables.

Transaction multiple

At the transaction date, a transaction multiple is calculated based on the transaction value and the earnings at the transaction date (EBITDA). The multiple is only changed when there are significant changes in the surroundings of the companies, for example, industry conditions and micro- and macro-economic conditions, which are expected to be of a long-term nature. The portfolio company's expected earnings are adjusted periodically on the basis of underlying budgets, and an expected increase in future earnings may increase the valuation of the portfolio companies.

In certain cases, when applying a transaction multiple analysis, comparable business transactions are also assessed to identify which multiples would be relevant at a hypothetical sale of the Fund's portfolio companies at the end of the accounting period.

Description of the valuation process

The valuation process is carried out in connection with the preparation of internal reporting to investors and in connection with the preparation of the Fund's annual report. The valuation assesses the portfolio investments at the end of the accounting period and must reflect the fair value of each portfolio company, based on reasonable valuation methods and assumptions.

Individual investments are assessed separately at the end of the accounting period and are in most cases assessed on the basis of the market situation as follows: (i) determination of the Enterprise Value (EV) estimated on the basis of a hypothetical sale of the investment at the time of the balancesheet date, based on one or more of the valuation methods mentioned above, and (ii) calculation of the value of the equity investment by adjusting EV for net debt and NWC adjustments as well as any equity related waterfall structures.

Fair value hierarchy for financial instruments measured at fair value in the balance sheet

Below, financial instruments measured at fair value are classified using the fair value hierarchy:

- Quoted prices in active markets for identical instruments (Level 1)

- Quoted prices in active markets for similar assets or liabilities or other valuation methods under which all material inputs are based on observable market data (Level 2)
- Valuation techniques under which any material inputs are not based on observable market data (Level 3)

All investments are classified as Level 3 investments and there have not been any transfers between the levels during the financial year.

Material unobservable inputs for Level 3

Financial instruments measured at fair value in the balance sheet are based on valuation techniques that include material unobservable input. Material unobservable inputs mean in this context that the valuation is dependent on a return requirement that contains a number of components that cannot be observed on trading markets, for example project-specific risks and illiquidity prices.

	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000	Total DKK'000
2024				
Unlisted shares, equity investments	0	0	366,107	366,107
Financial assets measured at fair value through profit or loss	0	0	366,107	366,107

	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000	Total DKK'000
2023				
Unlisted shares, equity investments	0	0	369,754	369,754
Financial assets measured at fair value through profit or loss	0	0	369,754	369,754

Material unobservable inputs

Fair value of the assets is determined based on both forward-looking information, current market and geopolitical conditions, actuals e.g., contributions and distributions etc. as well as status on the specific assets. Valuations are conducted by the Management of the Fund's Manager and approved quarterly at the valuation meeting as part of the quarterly report.

A number of material unobservable input is applied in the valuation and is ongoingly assessed on a on a Fund specific level. An elaboration of the assessed material unobservable inputs is outlined below.

Material unobservable assumptions used in the valuation of unlisted investments in portfolio companies consist of earnings multiple and either LTM or NTM Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of the portfolio companies. The EV/EBITDA multiple is derived from the entry multiple adjusted for development in peer group multiples and idiosyncratic factors. As the multiples are multiplied on the EBITDA of a given investment, the multiple used has a significant effect on the valuation. Management believes that the multiples applied are on a par with the market for comparable Danish businesses. In addition, allowance is made for net interest-bearing debt of the portfolio companies when making the valuation.

Range for multiple implied

	2024	2023
Interval for EV/EBITDA multiples applied	6.3 - 13	6.6 - 15

Sensitivity analysis

The fair value of the Fund's investments is affected by developments in the applied EV/EBITDA multiples. A decline or increase in the material unobservable inputs stated above and changes in macroeconomic conditions might have a direct effect on the valuation of the investments. Due to the nature of the investments the effects are subject to some uncertainty, as other factors can in some scenarios have a reverse effect. It is the assessment that any reverse effect will be immaterial. The approximately impact on Fund NAV is calculated by altering one input at a time and rerun the model.

Portfolio sensitivity	Variable change in input	Approximately impact on Fund
A reduction in the applied EBITDA valuation multiples	(+ / - 1x)	(62.2) MDKK

The inputs above are considered the most material unobservable input due to the nature of the investments.

13 Related parties**Related parties with a controlling interest**

The Limited Partnership has no investors or related parties with a controlling interest.

Related party transactions

	2024	2023
	DKK'000	DKK'000
The General Partner receives a fee for its obligation towards K/S as per limited partnership agreement		
Capidea Kapital III		
Payment to the General Partner	10	10

Fund Manager (the Fund Manager) is considered a related party of the Fund due to its role as being Fund Manager

Management fee	5,977	5,914
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During the Investment Period, Management fee is calculated as a percentage of the Committed Capital. From the expiry of the Investment Period, Management fee is calculated as a percentage of the Invested Capital in the Fund.

14 Contingent liabilities

There are no guarantees or contingent liabilities of the Fund.

15 Investors

The Limited Partnership has registered the following Limited Partner as holding more than 5% of the voting rights or nominal value of the contributed capital:

Limited Partner	Residence	Ownership percentage
European Investment Fund	Luxembourg	25.50
Dansk Vækstkapital II K/S	Hellerup	20.30
Nordea Fonden	Copenhagen	8.70
Velliv, Pension & Livsforsikring A/S	Ballerup	8.70
Nykredit Realkredit A/S	Copenhagen	8.70
Hanssen A/S	Daugård	5.80
LLG A/S	Brabrand	5.80

16 Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

17 Authorisation of the annual report for issue

On 07 February 2025, the General Partner approved the financial statements. The financial statements will be presented to the Fund's Limited Partners for approval at the Annual General Meeting on 30 April 2025.