

# CataCap III K/S

c/o CataCap Management A/S  
Øster Allé 48, 8.  
2100 København Ø

CVR no. 42 99 03 88

## Annual report 2022

The annual report was presented and approved at the  
Limited Partnership's annual general meeting  
on 21 April 2023

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Susan Korsholm Høj  
Chairman of the Annual General Meeting



## Contents

Statement by the General Partner	2
Independent auditor's report	3
Management's review	6
Operating review	6
Financial statements 17 January – 31 December	8
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Cash flow statement	11
Notes	12



## Statement by the General Partner

The General Partner have today discussed and approved the annual report of CataCap III K/S for the financial year 17 January – 31 December 2022.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act.

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 2022 and of the results of the Limited Partnership's activities for the financial year 17 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 28 February 2023  
CataCap General Partner III ApS

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Jens Jørgen Hahn-Petersen

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Rasmus Philip Buhl Lokvig

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Vilhelm Eigil Hahn-Petersen

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Peter Ryttergaard



## Independent auditor's report

### To the shareholders of CataCap III K/S

#### Opinion

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 2022 and of the results of the Limited Partnership's operations and cash flows for the financial year 17 January – 31 December 2022 in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

#### *Audited financial statements*

CataCap III K/S' financial statements for the financial year 17 January – 31 December 2022 comprise statement of comprehensive income, statement of changes in equity, statement of cash flow and notes, including summary of significant accounting policies. The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Limited Partnership 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.

#### Statement on the Management's review and the periodic disclosure

Management is responsible for the Management's review, as well as for the periodic disclosure subject to Article 11 of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR") for the financial products referred to in Article 8(1), (2) and (2a), of the SFDR and Article 6 (1) of Regulation (EU) 2020/852, hereinafter referred to as the "periodic disclosure".

Our opinion on the financial statements does not cover the Management's review and the periodic disclosure, 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's review and the periodic disclosure and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.





## Independent auditor's report

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review and the periodic disclosure are in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review or the periodic disclosure.

## Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act and Article 11 of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR") for the financial products referred to in Article 8(1), (2) and (2a), of the SFDR and Article 6 (1) of Regulation (EU) 2020/852, and for such internal control that 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 Limited Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Limited Partnership 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 as to 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 may 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 Limited Partnership's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.



## Independent auditor's report

- 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 Limited Partnership'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 Limited Partnership 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.

Copenhagen, 28 February 2023

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Klaus Rytz  
State Authorised  
Public Accountant  
mne33205

Henrik Y. Jensen  
State Authorised  
Public Accountant  
mne35442



## Management's review

### Operating review

#### Principal activities

CataCap III K/S is a private equity fund in SMEs in Denmark and adjacent markets characterised by a significant development potential and an innovative business model with long-term sustainability. The Limited Partnership has an agreement with CataCap Management A/S in respect of investment advisory services and administrative services.

CataCap III K/S was established 30 June 2022 with an initial capital commitment and later commitments in 2022 of DKK 1,067 million in total of which DKK 556 million was admitted to the fund. Admission of the remaining commitments is subject to the total fund commitments reaching certain thresholds.

The fundraising of CataCap III K/S will continue in 2023.

#### Uncertainty regarding recognition and measurement

CataCap III K/S' statement has not completed any investments in the year of inception. The fund has committed its first investment in 2022, but closing has not taken place until 2023.

Another investment is in process and cost associated are capitalised.

#### Unusual circumstances

There are no unusual circumstances impacting the financial statement or the Limited Partnership.

#### Development in activities and financial matters

The Limited Partnership's financial position and the results for the year will be shown in the following statement of comprehensive income for the financial year 30 June – 31 December 2022 and the statement of financial position at 31 December 2022.

#### The past year

CataCap III K/S entered into a conditional agreement to acquire The Army Painter on 23 November 2022.

The Fund has as of 31 December DKK 0.5 billion available from investors and invests alongside CC III Management Invest K/S, combining the investment capacity to DKK 0.5 billion.

As stated above, commitments of DKK 489 million is awaiting to be admitted to the fund.



## **Management's review**

### **Operating review**

#### **Capital resources**

CataCap III K/S has sufficient funding to carry out the investment activity planned and expect to increase the funds available during 2023.

#### **Employees**

The Limited Partnership has not had any employees during the period.

#### **Subsequent events**

CataCap III K/S closed the partnership investment in The Army Painter on 10 January 2023.

#### **Outlook**

We expect the portfolio to develop positively in 2023.





## Financial statements 17 January – 31 December

### Statement of comprehensive income

DKK'000	Note	2022
Administrative expenses		-7,977
<b>Operating loss</b>		-7,977
Financial expenses		-17
<b>Loss for the year/total comprehensive income</b>		-7,994



## Financial statements 17 January – 31 December

### Statement of financial position

DKK'000	Note	2022
<b>ASSETS</b>		
<b>Current assets</b>		
<b>Receivables</b>		
Other receivables		429
		429
<b>Cash at bank and in hand</b>		0
<b>Total current assets</b>		429
<b>TOTAL ASSETS</b>		429
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Contributed capital	2	0
Retained earnings		-7,994
<b>Total equity</b>		-7,994
<b>Liabilities</b>		
<b>Current liabilities other than provisions</b>		
Bank overdraft		4,933
Other payables		3,490
		8,423
<b>Total liabilities other than provisions</b>		8,423
<b>TOTAL EQUITY AND LIABILITIES</b>		429
<b>Financial instruments</b>	3	
<b>Related parties and ownership</b>	4	
<b>Significant accounting estimates and judgements</b>	5	

#### Periodic disclosure

Refer to statement on the periodic disclosure provided for the Sustainable Finance Disclosure Regulation (SFDR), see page 16.



## Financial statements 17 January – 31 December

### Statement of changes in equity

DKK'000	2022
Balance at 17 January 2022	0
<b>Comprehensive income for the year</b>	
Result for the year	-7,994
Total comprehensive income for the year	-7,994
<i>Transactions with owners:</i>	
Contributed capital	0
Distributed capital	0
Total transactions with owners	0
<b>Balance at 31 December 2022</b>	<b>-7,994</b>



## Financial statements 17 January – 31 December

### Cash flow statement

DKK'000	Note	2022
Profit/loss for the year		-7,994
Adjustments of non-cash operating items		0
<b>Cash flows from operations before changes in working capital</b>		-7,994
Changes in working capital		3,061
<b>Cash flows from operations</b>		-4,933
Interest expense paid		0
<b>Cash flows from operating activities</b>		-4,933
<b>Cash flows from investing activities</b>		0
<b>Cash flows from financing activities</b>		0
<b>Cash flows for the year</b>		-4,933
Cash and cash equivalents at the beginning of the year		0
<b>Cash and cash equivalents at year-end</b>		-4,933





## Financial statements 17 January – 31 December

### Notes

#### 1 Accounting policies

The financial statements of CataCap III K/S for 2022 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements applying to reporting class B entities under the Danish Financial Statements Act.

#### Basis of preparation

The annual report for 2022 is presented in DKK rounded to '000. DKK is the functional currency.

The financial statements were authorised for issue by the General Partners on 28 February 2023.

#### Foreign currency translation

The Limited Partnership's functional currency is DKK. Transactions denominated in foreign currencies are translated at the exchange rates at the date of the transaction.

Receivables, liabilities and other items in foreign currencies that have not been settled at the statement of financial position date are translated at the exchange rates at the statement of the financial position date.

Realised and unrealised exchange rate adjustments are included in the statement of comprehensive income as financial income or financial expenses.

### Statement of comprehensive income

#### Administrative expenses

Administrative expenses comprise payments to CataCap Management ApS for investment advisory and administrative services.



## Financial statements 17 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses are recognised in the statement of comprehensive income at the amounts relating to the reporting period. Financial income and expenses include interest income and expenses as well as realised and unrealised exchange rate gains and losses on foreign currency transactions.

##### Income tax

The Limited Partnership is transparent for tax purposes and thus not independently liable to income tax. Consequently, income tax has not been recognised.

### Statement of financial position

##### Receivables

Receivables are measured at amortised cost. Write-down for bad debt is based on an individual assessment of receivables.

##### Liabilities

Liabilities are measured at amortised cost.



## Financial statements 17 January – 31 December

### Notes

#### 2 Equity

The stated contributed capital represents the limited partners' total equity contribution. The capital is divided into limited partnership shares of DKK 1. CataCap III K/S has a total committed capital of DKK 495.65 million, of which DKK 0 million was paid at 31 December 2022.

The objective of the Partnership is to achieve medium to long-term capital growth through investments in a selection of unlisted private companies operating mainly in Denmark.

The Limited Partnership's objective is a return on the invested capital, as the portfolio companies have exited. Dividends are then paid out to the limited partners in line with receipt of proceeds.

#### 3 Financial instruments

Due to the Limited Partnership's activities, it is only exposed to a limited variety of financial risks.

The Limited Partnership has no significant transactions in foreign currencies.

The Limited Partnership has no debt other than normal credit facilities (DKK 10 million at 31 December 2022) and, accordingly, the Limited Partnership is not subject to significant liquidity risk or interest rate risk.

Furthermore, the Limited Partnership has no significant concentration of credit risk. The Limited Partnership assesses all counterparties, including its partners, for credit risk before contracting with them. The Limited Partnership does not obtain any collateral or other credit risk enhancers, which may reduce the Partnership's exposure.

The Limited Partnership does not use derivative financial instruments to moderate certain risk exposures.



## Financial statements 17 January – 31 December

### Notes

#### 4 Related parties and ownership

The Limited Partnership's related parties consist of:

CataCap Management A/S, providing investment advisory services and administrative services to CataCap III K/S.

#### Other related parties

The Limited Partnership's other related parties consist of:

- CataCap General Partner III ApS, who has entered into investment advisory services and administration agreements with CataCap Management A/S.

#### Transactions

Transactions with related parties are carried out on an arm's length basis.

DKK'000	2022
<b>General Partner</b>	
Investment and administrative fees	3,758
	<u>3,758</u>

#### 5 Significant accounting estimates and judgements

In connection with the preparation of the financial statements, Management makes accounting estimates and judgements that affect the assets and liabilities reported at the reporting date as well as the income and expenses reported for the financial period. In accordance with the requirements of IFRS, Management reassesses these estimates and judgements based on a number of factors and criteria relevant to the given circumstances.

The valuation of investments in subsidiaries at fair value includes assumptions made about the future and other sources of estimation uncertainty at the end of the reporting period. Information about the valuation techniques, key inputs and sensitivity information are disclosed in note 2.


No significant judgements, apart from those involving estimations, have been made in the process of applying the Limited Partnership's accounting policies.





## Periodic disclosure

Periodic disclosure for Article 8 financial products.



BEYOND CAPITAL

**Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** CataCap III K/S

**Legal entity identifier:** 42990388

**Environmental and/or social characteristics**

**Did this financial product have a sustainable investment objective?**

☒ Yes
 ☐ No

☐ It made a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%
 ☐ It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_\_ % of sustainable investments

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
 ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It made a minimum of **sustainable investments with a social objective:** \_\_\_\_%
 ☒ It promoted E/S characteristics, but **did not make any sustainable investments**

**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

CataCap Management A/S (the "Manager") promotes social and environmental characteristics for CataCap III K/S (the "Fund" or the financial product) in the manner described in the Manager's Responsible Investment Policy (the "RIP") and ESG Framework (the "Framework") established to apply for the Manager as firm and across all its alternative investment funds and their investments.

The Fund was established on 17 January 2022, and an initial closing of the fund was held on 30 June 2022 with the investment period commencing on this date. No investments were made during the 2022 reporting period. Accordingly, as no investments were made, environmental and/or social characteristics was not promoted during the reporting period. On this basis, questions presupposing that investments have been made will be answered 'not applicable' (N/A).

● **How did the sustainability indicators perform?**

N/A

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**


As set out above, the Fund does not have a sustainable investment objective, but promotes environmental and/or social characteristics in line with its RIP and Framework. No investments were made in the reporting period.

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.





BEYOND CAPITAL

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for bribery matters.

**How did this financial product consider principal adverse impacts on sustainability factors?**

The Fund did not consider adverse impacts of its investment decisions on sustainability factors. However, when making investment decisions, the Manager takes material sustainability impacts and ESG risks and opportunities into consideration. The Manager recognises the importance of principal adverse impacts of the investments of the Fund and assesses and manages sustainability factors from both a risk mitigation and a value creation perspective.

The 'Principal Adverse Sustainability Impacts Statement' is available on the Manager's website.

**Asset allocation** describes the share of investments in specific assets.

**What were the top investments of this financial product?**

N/A

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**What was the proportion of sustainability-related investments?**

N/A

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

N/A

**What was the asset allocation?**

N/A

**In which economic sectors were the investments made?**

N/A

**Investments**

#1 Aligned with E/S characteristics

#1B Other E/S characteristics

**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.



<b>CATACAP</b> BEYOND CAPITAL	
<p>Taxonomy-aligned activities are expressed as a share of:</p> <ul style="list-style-type: none"> <li>- <b>turnover</b> reflects the "greenness" of investee companies today.</li> <li>- <b>capital expenditure</b> (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.</li> <li>- <b>operational expenditure</b> (OpEx) reflects the green operational activities of investee companies.</li> </ul> <p> are sustainable investments with an environmental objective that <b>do not take into account the criteria</b> for environmentally sustainable economic activities under Regulation (EU) 2020/852.</p>	<div data-bbox="523 566 571 622"></div> <p><b>What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?</b></p> <p>N/A</p> <div data-bbox="523 689 571 745"></div> <p><b>What was the share of socially sustainable investments?</b></p> <p>N/A</p> <div data-bbox="523 813 571 869"></div> <p><b>What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?</b></p> <p>N/A</p>
<div data-bbox="432 1077 507 1155"></div>	<p><b>What actions have been taken to meet the environmental and/or social characteristics during the reference period?</b></p> <p>At firm level, the Manager works actively with environmental and social characteristics through CataCap's Framework and RIP, which outlines the overall strategy for implementing ESG initiatives across the portfolio. However, since no investments have been made by the Fund in the reporting period, there has been no actions towards meeting the environmental and/or social characteristics during the reference period.</p>
<div data-bbox="432 1279 507 1357"></div> <p><b>Reference benchmarks</b> are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.</p>	<p><b>How did this financial product perform compared to the reference benchmark?</b></p> <p>N/A</p> <ul style="list-style-type: none"> <li>● <i>How does the reference benchmark differ from a broad market index?</i></li> </ul> <p>N/A</p> <ul style="list-style-type: none"> <li>● <i>How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?</i></li> </ul> <p>N/A</p> <ul style="list-style-type: none"> <li>● <i>How did this financial product perform compared with the reference benchmark?</i></li> </ul> <p>N/A</p> <ul style="list-style-type: none"> <li>● <i>How did this financial product perform compared with the broad market index?</i></li> </ul> <p>N/A</p>

