CataCap I K/S

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

CVR no. 34 88 50 79

Annual report 2023

The annual report was presented and approved at the Limited Partnership's annual general meeting

on 19 April 2024

Peter Ryttergaard
Chairman of the Annual General Meeting

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Statement by the General Partners

The General Partners have today discussed and approved the annual report of CataCap I K/S for the financial year 1 January – 31 December 2023.

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 2023 and of the results of the Limited Partnership's activities for the financial year 1 January – 31 December 2023.

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, 27 February 2024
CataCap General Partner I ApS

Jens Jørgen Hahn-Petersen | Rasmus Philip Buhl Lokvig | Vilhelm Eigil Hahn-Petersen

Peter Ryttergaard

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Independent auditor's report

To the Limited Partnership of CataCap I 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 2023 and of the results of the Limited Partnership's operations and cash flows for the financial year 1 January – 31 December 2023 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 I K/S' financial statements for the financial year 1 January – 31 December 2023 comprise the statement of comprehensive income, statement of changes in equity, cash flow statement 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

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review 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.

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 is 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.

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Independent auditor's report

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 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.
- 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.

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Independent auditor's report

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, 27 February 2024
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Management's review

Operating review

Principal activities

CataCap I K/S is a private equity fund investing in Danish SMEs 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 advice and administrative services.

Uncertainty regarding recognition and measurement

CataCap I K/S' statement of financial position consists primarily of equity investments in the fund's portfolio companies recognised at estimated fair value. The valuation of the portfolio companies reflects the current and expected performance of the individua l companies as well as multiples of a defined peer group. The value is not realised until the exit of the portfolio company.

Unusual circumstances

There are no unusual circumstances impacting 2023 whereas the COVID-19 pandemic had significant impact on the global economy during 2022 and, as such, the Limited Partnership in comparison.

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 1 January – 31 December 2023 and the statement of financial position at 31 December 2023.

The past year

CataCap I K/S has reached its tenth year of operation and, hence, the investment period has expired. In the remaining lifetime of the fund, investments may take place in the existing portfolio, but no new platform investments shall be made.

CataCap I K/S has deployed 96% of the capital commitments, equivalent to DKK 1,007 million.

CataCap I K/S holds the majority of votes in the portfolio company.

CataCap I K/S has been extended by one year and holds one single asset. As such CataCap I K/S can be extended by investor consent until the realisation of the last investment. There is no time limitation for extensions.

As the fund has reduced the portfolio significantly, the General Partner has decided to reduce the undrawn fund commitment to DKK 30 million. The decision was made following a duly and careful assessment of the capital of the fund and the fund's need for capital to meet its obligations in the future.

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Management's review

Operating review

The past year (continued)

TP Aerospace Holding A/S, which was acquired in April 2017, is a global specialist for wheels and brakes services to airlines. Services consist of exchanges of wheels and brakes under long-term contract agreements supplemented by a strong after-market aircraft component and distribution platform. TP Aerospace is certified to do in-house repair and overhaul of wheels and brakes across several sites globally. TP Aerospace has 387 employees. 2023 has developed in line with expectations. The aviation industry is at index 96 compared to 2019 (pre-covid) whereas TP Aerospace is at index 151.

The customer activity has significantly increased activity enabling a growth of 22% above 2022 equivalent to a revenue of USD 180 million. TP Aerospace Holding A/S retained more than 900 aircrafts under contract in 2023. The focus on cash generation has paid off, increasing the cash flow from operations by more than four times above 2022 to USD 19.6 million.

The financial performance has been in line with expectations considering the fast recovery. TP Aerospace has established two new sites in Brno (Czech Republic) and Brisbane (Australia) to cater for the future growth expectations.

The company is well-positioned to take advantage of the further increase in activity in 2024 and beyond.

Capital resources

CataCap I K/S is financially backed by investors with a total committed capital amounting to DKK 606 million. Result for the year amounts to a negative DKK 33 million, compared to a profit of DKK 314 million in 2022. The result is mainly a reflection of the no additional realised divestment in 2023 and a contingent asset that has not materialised. Since inception, CataCap I K/S has accumulated a profit of DKK 1,300 million. As described above, CataCap I K/S has closed the investment period for new platform investments and, hence, future investments may take place in the existing portfolio only.

The fund has an undrawn commitment of DKK 30 million as of 31 December 2023.

Employees

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

Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Outlook

We expect the portfolio to develop positively in 2024. We envisage a loss up to DKK 10 million for the next year.

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Financial statements 1 January – 31 December

Statement of comprehensive income

DKK'000	Note	2023	2022
Value adjustment of investments in subsidiaries	2	-29,521	386,609
Other operating expenses/income	2	0	-66,686
Administrative expenses		-3,707	-5,723
Operating profit		-33,228	314,200
Finance incomes		28	0
Finance costs		0	-14
Profit for the year/total comprehensive income		-33,200	314,186

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Financial statements 1 January – 31 December

Statement of financial position

DKK'000	Note	2023	2022
ASSETS			
Non-current assets			
Investments			
Investments in subsidiaries	2	541,523	573,519
		541,523	573,519
Total non-current assets		541,523	573,519
Current assets			
Receivables			
Receivables from subsidiaries		19	0
		19	0
Cash at bank and in hand		598	3,400
Total current assets		617	3,400
TOTAL ASSETS		542,140	576,919
EQUITY AND LIABILITIES			
Equity			
Contributed capital	3	540,141	573,341
Retained earnings		0	0
Total equity		540,141	573,341
Liabilities			
Current liabilities			
Payables to subsidiaries		1,545	38
Other payables		454	3,540
Total current liabilities		1,999	3,578
Total liabilities		1,999	3,578
TOTAL EQUITY AND LIABILITIES		542,140	576,919
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	2023	2022
Balance at 1 January	573,341	796,350
Comprehensive income for the year		
Result for the year	-33,200	314,186
Total comprehensive income for the year	540,141	1,110,536
Transactions with owners:		
Contributed capital	0	0
Distributed capital	0	-537,195
Total transactions with owners	0	-537,195
Balance at 31 December	540,141	573,341

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Financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	2023	2022

Result for the year		-33,200	314,186
Adjustments of non-cash operating items	2	29,521	-319,923
Cash flows from operations before changes in working capital		**-3,679**	**-5,737**
Changes in working capital		-1,598	1,084
Cash flow from operations		**-5,277**	**-4,653**
Interest expense paid		0	0
Cash flow from operating activities		**-5,277**	**-4,653**
Investments – total consideration paid		0	0
Investments – total consideration received		2,475	534,658
Cash flows from investing activities		**2,475**	**534,658**
Proceeds from capital increase		0	0
Distributed capital		0	-537,195
Change in receivables		0	0
Repayment of loans from subsidiaries		0	0
Cash flows from financing activities		**0**	**-537,195**
Cash flows for the year		-2,802	-7,190
Cash and cash equivalents at the beginning of the year		3,400	10,590
Cash and cash equivalents at year-end		**598**	**3,400**

Financial statements 1 January – 31 December

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1 **Accounting policies**

The financial statements of CataCap I K/S for 2023 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.

The accounting policies used are unchanged from last year.

Basis of preparation

The annual report for 2023 is presented in DKK rounded to thousands. DKK is the functional currency.

The financial statements were authorised for issue by the General Partners on 27 February 2024.

Investment entity

The Limited Partnership has multiple unrelated investors and holds multiple investments. Ownership interests in the Limited Partnership are in the form of limited partnership interests. The Limited Partnership meets the definition of an investment entity in accordance with IFRS 10, as the following conditions exist:

- The Limited Partnership has obtained funds for the purpose of providing investors with professional investment management services;
- The Limited Partnership's business purpose, which was communicated directly to investors, is investing for capital appreciation and investment income;
- The investments are measured and evaluated on a fair value basis.

In accordance with IFRS 10, the Limited Partnership does not consolidate its subsidiaries and does not apply IFRS 3 when obtaining control over a new investment.

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 financial position date.

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

Statement of comprehensive income

Value adjustment of investments in subsidiaries

Comprises of adjustment of the investment valuation carried at year-end.

Administrative expenses

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

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1 **Accounting policies (continued)**

Other income/expenses

Other income comprises income from guarantees, fees and sale of investments.

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

Investments in subsidiaries

Investments in subsidiaries are measured at fair value at the statement of financial position date. Value adjustments are recognised in the statement of comprehensive income.

Gains and losses on the sales of investments in subsidiaries are determined as the difference between the selling price less-selling costs and the carrying amount at the date of sale. The gains or losses are recognised in the income statement as other operating income or other operating costs.

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.

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2 **Investments in subsidiaries**

All investments in subsidiaries are classified within level 3 as observable valuation inputs and are not available for these investments.

The movements within level 3 during the year were as follows:

DKK'000	2023	2022
Opening balance at 1 January	573,519	788,254
Investments sales during the year	0	-534,658
Gains recognised in profit and loss	0	319,923
Losses recognised in profit and loss	-31,996	0
Closing balance at 31 December	541,523	573,519

All value adjustments are included in "value adjustment of subsidiaries" in the statement of comprehensive income.

Investments in subsidiaries are specified as follows:

USD'000	Registered office	Contributed capital	Votes and ownership	Equity	Profit for the year
31/12 2023					
CC Green Wall Invest ApS	Copenhagen, Denmark	33,955	100%	32,516	43

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2 **Investments in subsidiaries (continued)**

DKK'000	Registered office	Contributed capital	Votes and ownership	Equity	Profit for the year
31/12 2022					
CC Green Wall Invest ApS*	Copenhagen, Denmark	33,955	100%	32,472	13
CC Sky Invest ApS**	Copenhagen, Denmark	1,000	96.33%		

*Amounts in USD'000

**The activity was sold and currently in liquidation.

CataCap I K/S carries out valuations of investments quarterly with the objective of providing investors with a Fair Market Value (FMV) estimate of their equity investments. CataCap I K/S follows the valuation guidelines published by the International Private Equity and Venture Capital Board (IPEV) or the Private Equity Industry Guidelines Group (PEIGG) as recommended by the Danish Venture Capital and Private Equity Association (DVCA).

Valuation principles and methods

In estimating the FMV of an investment, CataCap I K/S strives to apply techniques that take into account the nature, facts and circumstances of the investments using current market data and inputs.

When valuing the portfolio companies, CataCap I K/S seeks to select the valuation technique that is most appropriate for the specific investment in question. The techniques that CataCap I K/S considers to include are:

- Price of recent investment
- Multiples.

Although each valuation technique may have its merits under different circumstances, CataCap I K/S will generally consider price of recent investment or multiples as the most appropriate method for assessing the FMV of an investment that is making adequate returns. More specifically, price of recent investment will typically be the best indicator of FMV short-term, while multiples typically will be applied to ascertain FMV medium to long-term.

When applying a multiples-based approach, CataCap I K/S will seek to use companies that are comparable in terms of risk attributes and earnings growth prospects, which is often more likely when the companies are comparable in terms of business activities, markets served, size, geography and applicable tax rate. Further, CataCap I K/S will generally favour multiples that are based on forward-looking financial earnings to the extent that data is available and reliable. In order to ensure that the financial earnings applied are maintainable, CataCap I K/S will also seek to adjust for non-recurring items.

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2 **Investments in subsidiaries (continued)**

To ensure consistency, CataCap I K/S seeks to limit changes to the peer group (i.e. same peers and weight) since entry in order to ensure that:

- the FMV of the investment mirrors the relative change in the peer group
- to ensure traceability/comparability across valuation dates.

Below are listed the main assumptions used in the valuation models, including unobservable inputs:

	Interval for EBITDA multiples used	Average of weighted actual and budgeted EBITDA multiples
Used multiples 2023	6.0	5.5
Used multiples 2022	5.7	5.2
Used multiples 2021	6.0 - 9.2	6.2
Used multiples 2020	4.2 - 9.6	5.5
Used multiples 2019	3.1 - 22.3	5.5
Used multiples 2018	4.7 - 9.5	5.6
Used multiples 2017	5.3 - 9.5	5.8
Used multiples 2016	5.5 - 9.2	6.3
Used multiples 2015	5.1 - 9.6	5.9

Sensitivity analysis

The below table shows the change in valuation when changing EBITDA or the valuation multiple for each equity value in the portfolio. The sensitivity analysis is prepared for all level investment groups together:

	2023	2022
Change in EBITDA or multiples:	Value:	
5.0%	574	603
2.5%	558	588
0%	542	574
-2.5%	526	560
-5.0%	510	545

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3 **Equity**

The stated contributed capital represents the Limited Partnership's total equity contribution. The capital is divided into limited partnership shares of DKK 1. CataCap I K/S has a total committed capital of DKK 1,015 million, of which DKK 1,007 million was paid at 31 December 2023.

DKK'000	2019	2020	2021	2022	2023
Contributed capital at 1 January	923,987	939,163	959,429	796,350	573,341
Prior year adjustments	1	0	4	0	0
Contributed capital	15,175	20,266	1,893	0	0
Distributed capital	0	0	-1,182,318	-537,195	0
Distributed retained	0	0	1,017,342	314,186	-33,200
Contributed capital at 31 December	939,163	959,429	796,350	573,341	540,141

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 are exited. Dividends are then paid out to the limited partners in line with receipt of proceeds.

As of 30 December 2022 it has been decided by the general partner of CataCap I K/S to reduce the undrawn commitments of the Fund including the recycling potential with nominally DKK 88 million from nominally DKK 122 million to nominally DKK 34 million by waiving on behalf of the Fund the right to call the cancelled undrawn commitment.

4 **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 0 at 31 December 2023) 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.

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5 **Related parties and ownership**

The Limited Partnership's related parties consists of:

CataCap Management A/S, providing investment advice and administrative services to CataCap I K/S.

Other related parties

The Limited Partnership's other related parties consist of:

- CataCap General Partner I ApS, who has entered into investment advice and administration agreements with CataCap Management A/S
- CataCap OP ApS
- CataCap Dm ApS
- CataCap Dm II Aps
- Subsidiaries with whom transactions are presented in the statement of financial position on page 9.

Transactions

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

DKK'000	2023	2022
General partner		
Investment and administrative fees	2,755	4,617
	2,755	4,617

6 **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.