



## The Army Painter Group Holding ApS

Christiansmindevej 12  
8660 Skanderborg  
CVR No. 43583204

## Annual report 18.10.2022 - 31.12.2023

The Annual General Meeting adopted the annual  
report on 21.02.2024

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**Line Nymann Penstoft**  
Chairman of the General Meeting

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# Entity details

## Entity

The Army Painter Group Holding ApS  
Christiansmindevej 12  
8660 Skanderborg

Business Registration No.: 43583204  
Registered office: Skanderborg  
Financial year: 18.10.2022 - 31.12.2023

## Board of Directors

Søren Torp Laursen, Chairman  
Line Nymann Penstoft  
Lasse Hadberg Lyngø, Deputy chairman  
Lars Prisak  
Jeppe Kallesøe Odefey  
Jens Jørgen Hahn-Petersen

## Executive Board

Henning Nielsen, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of The Army Painter Group Holding ApS for the financial year 18.10.2022 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 18.10.2022 - 31.12.2023.

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

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

Skanderborg, 21.02.2024

## Executive Board

**Henning Nielsen**

CEO

## Board of Directors

**Søren Torp Laursen**

Chairman

**Line Nymann Penstoft**

**Lasse Hadberg Lynge**

Deputy chairman

**Lars Prisak**

**Jeppe Kallesøe Odefey**

**Jens Jørgen Hahn-Petersen**

# Independent auditor's report

## To the shareholders of The Army Painter Group Holding ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of The Army Painter Group Holding ApS for the financial year 18.10.2022 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 18.10.2022 - 31.12.2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 21.02.2024

### Deloitte

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

### Mads Fauerskov

State Authorised Public Accountant  
Identification No (MNE) mne35428

### Marie Louise Vester Sørensen

State Authorised Public Accountant  
Identification No (MNE) mne47319

# Management commentary

## Financial highlights

	<b>2022/23</b>
	<b>DKK'000</b>
<b>Key figures</b>	
Gross profit/loss	62,841
Operating profit/loss	(2,643)
Net financials	(16,205)
Profit/loss for the year	(19,932)
Balance sheet total	551,933
Investments in property, plant and equipment	11,245
Equity	232,742
Cash flows from operating activities	(14,022)
Cash flows from investing activities	(460,909)
Cash flows from financing activities	491,078
<b>Ratios</b>	
Equity ratio (%)	42.17

This is the first financial year, therefore there is only one year's figures included in the overview.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### **Equity ratio (%):**

Equity \* 100

Balance sheet total



## Primary activities

The private equity firm CataCap has invested in The Army Painter ApS in 2023 and indirectly owns the majority of the shares in the company through their third fund, CataCap III K/S. The acquisition was completed on January 10th, 2023. CataCap is a member of 'Aktive Ejere'.

The group's primary activity is to own shares in The Army Painter ApS. The Army Painter's primary activities are sale, marketing and production of painting kits for the miniature hobby and tabletop miniature niche as well as other accessories for wargaming. Sales are made across the world via distributors and directly to end-users through both traditional retail and digital channels. Production primarily takes place in Skanderborg, Denmark.

In 2023, The Army Painter continues the rapid growth across markets and sales channels and has almost doubled its revenue since 2020, delivering 19% growth in 2023.

## Development in activities and finances

With the successful launch of the new product 'Speedpaint 2.0' replacing the previous 'Speedpaint' line in Q1 2023, The Army Painter has expanded the product offering from the traditional acrylic paint range, appealing to both the inexperienced user and veteran alike.

During 2023, The Army Painter has focused on the development of a new improved and expanded version of the existing range of acrylic paint - the core product in our paint range. The new range started shipping in Q1 24 with expected release date mid-March 2024. As a result, the stock build-up during 2023 reflects our biggest launch ever while phasing out the previous acrylic product line.

We have successfully grown the community around our brand and prepared the market for the 2024 product launch through extensive social media campaigns in Q3 and Q4, increasing our YouTube subscriber base from 36.000 to more than 220.000.

Building The Army Painter for future growth and scalability has also included an upgrade of the ERP platform to Dynamics 365 BC and the preparation of a migration of our website to the Shopify platform executed in January 2024.

To support our high ambitions, The Army Painter has throughout 2023 invested in building organizational strength and increased the workforce with 21 employees.

A board of directors was established alongside the new ownership and in August the new chairman of the board, Søren Torp Laursen, was appointed.

During Q4, management and the board have engaged in search processes to hire a new CEO and CFO. The new CEO, Henning Nielsen, started in February 2024 and we expect the new CFO to be onboarded during Q2 2024.

## Risks

The Board of Directors of the Company and the Management continuously monitor both internal and external business risks. Below are the risks that have been deemed salient:

### Currency risks

A significant share of the group's income is received in USD. Meanwhile, a large portion of the group's procurement takes place in Europe in EUR. The group continually monitors fluctuations in the USD / EUR exchange rate. Forward contracts or other financial instruments may be used to manage the currency-related

risk.

### **Interest rate risks**

The Army Painter group is exposed to interest rate risks on its debt financing, which consists of senior facilities and a revolving credit facility. The company monitors interest rate risks on an ongoing basis and may apply interest hedging instruments to manage the risk.

### **IT risks**

As with other companies of a comparable size, The Army Painter is exposed to IT risks. During 2023, the company has entered an agreement with an external IT partner to minimize the risk and further develop the IT platform to be able to support the future growth.

### **Suppliers**

Most of The Army Painter's suppliers are European, with a minor subset being Chinese. To manage the risks of an international supplier base, all new suppliers are presented with a supplier manual and code of conduct. These policies have been developed to ensure that all products have the same quality and follow the same guidelines for production.

The Army Painter maintains close relationships with its main suppliers and adjusts forecasts throughout the year to safeguard the supply of raw materials.

### **Outlook**

As a result of the strength of the current product offerings supplemented with the significant product launch in Q1 and Q2 2024, The Army Painter expects continued growth in 2024 and to solidify the position as the independent global market leader in tabletop miniature paints and accessories.

Alongside continuing to build the community around the brand, we will invest further in market expansions, organizational growth and in securing our supply chain.

Management expects adjusted EBITDA for 2024 to increase between 25-45 % compared to 2023 in The Army Painter.

For The Army Painter Group management expects likewise EBITDA for 2024 to increase between 25-45% compared to 2023.

### **Environmental performance**

The Army Painter has in 2023 established a baseline and reporting for scope 1 and 2 greenhouse gas emissions. During 2024, partial reporting on scope 3 will be conducted in accordance with the guidelines for CataCap portfolio companies.

During 2024, The Army Painter will further formalize current practices and develop and implement a coherent ESG strategy.

### **Research and development activities**

The Army Painter continuously seeks to develop both its products and the miniature hobby niche. This is done by keeping focus on both the technical aspects of our products and developing and maintaining close contact with the end-users and the community.

## Group relations

### Management structure

The company's principles for good corporate governance are based on rules of procedures and management structure that consists of a board of directors and an executive management team. The Board of Directors meets according to a set schedule, at least 5 times a year. In addition, 10-12 chairmanship meetings are held, with participation from management, the chairman and the deputy chairman.

### Governance

To provide transparency, the group now follows guidelines of "Aktive Ejere" for responsible ownership and good corporate governance. On this foundation, the board of directors, and the management team have established internal procedures to ensure active, secure, and value-creating management. Likewise, the Board of Directors continuously monitors the company's management structure and control systems to ensure that they are reliable and effective. At board level, the fixed procedures include monthly reporting on relevant operational and financial parameters, including risk assessment of investments and markets.

The group's management consists of:

### Board of directors

#### Søren Torp Laursen

##### CHAIRMAN of the Board

since September 2023

Affiliation: Independent

Suggested by CataCap

### OTHER MANAGEMENT DUTIES

Executive Board

Cascas Holding ApS

Cascas Invest ApS

### Chairman

Filtborg EL A/S

A/S Poul Larsen Autoriseret EL og VVS-Installatør

Michael Wulff A/S

Eiland Elinstrallation A/S

Postevand ApS

The Army Painter ApS

The Army Painter Group ApS

Koble ApS

A/S Aage Langkjær

Midtfjord EL A/S

### Board member

Ejendomsselskabet Frederiks Alle 105 P/S

Marselisborg Alle 24 P/S

Værkstedvej 41 P/S

People2Play ApS

Koble Holding ApS

**Lasse Hadberg Lyngø**

**DEPUTY CHAIRMAN**

since January 2023

Affiliation: Non-independent

Suggested by CataCap

**OTHER MANAGEMENT DUTIES**

Executive Board

LHLH ApS

**Deputy chairman**

The Army Painter ApS

The Army Painter Group ApS

**Jens Jørgen Hahn-Petersen**

**BOARD MEMBER**

since September 2023

Affiliation: Non-independent

Suggested by CataCap

**OTHER MANAGEMENT DUTIES**

**Executive Board**

CC TAP Invest ApS

CC HoldCo ApS

CC BidCo ApS

CC TopCo Invest ApS

DAFA MIIP ApS

CC Toaster Invest ApS

CC DAFA Invest ApS

CC North Invest ApS

CataCap General Partner III ApS

CATACAP MANAGEMENT A/S

Luxplus MIIP ApS

Globe ManCo ApS

CC Globe Invest ApS

CataCap General Partner II ApS

CC Fly Invest ApS

CATACAP GENERAL PARTNER I ApS

TPA Green ManCo ApS

Rekom ManCo ApS

CataCap DM II ApS

CC II Management Invest 2017 GP ApS

CataCap DM ApS

CataCap OP ApS

PROSPERITAS ApS

CC NLM Invest ApS

CC TopCo IV Invest ApS

CC HoldCo IV ApS

CC BidCo IV ApS  
TAP MIIP ApS  
CC TopCo V Invest ApS  
CC HoldCo V ApS  
CC BidCo V ApS

**Board member**

CC Globe Holding II A/S  
CC Globe Holding I ApS  
Group Online A/S  
CC Green Wall Invest ApS  
NORDMARK MASKINFABRIK A/S  
Nordmark Coating A/S  
Nordmark Properties ApS  
Nordmark Group Holding ApS  
Nordmark Group ApS  
The Army Painter ApS  
The Army Painter Group ApS

**Jeppe Kallesøe Odefey**

**BOARD MEMBER**

since January 2023  
Affiliation: Independent  
Suggested by CataCap

**OTHER MANAGEMENT DUTIES**

**Executive Board**

Rainbow BidCo ApS  
Rainbow TopCo ApS  
Hobbii A/S (Adm. Direktør)  
Odekal management ApS

**Board member**

The Army Painter ApS  
The Army Painter Group ApS  
G.O. Trans A/S  
Holger Kristiansens Eft. Aalborg A/S

**Lars Prisak**

**BOARD MEMBER**

since January 2023  
Affiliation: Independent  
Suggested by Mørck Family Holding ApS

## **OTHER MANAGEMENT DUTIES**

### **Executive Board**

Triarca A/S

Triarca Holding Aps (adm. direktør)

AE2017 Bidco ApS (adm. direktør)

Lanpri ApS

LH Investering ApS

### **Chairman**

B6 Nordic A/S

### **Board member**

Hamag A/S

B6 Nordic A/S

Triarca A/S

Triarca Holding Aps

AE2017 Bidco ApS

The Army Painter ApS

The Army Painter Group ApS

### **Line Nymann Penstoft**

#### **BOARD MEMBER & CFO**

since 2023

Affiliation: Non-independent

Suggested by Mørck Family Holding ApS

## **OTHER MANAGEMENT DUTIES**

### **Executive Board**

Mørck Invest ApS (Adm. Direktør)

Mørck Family Holding ApS (Adm. Direktør)

Sigfred Holding ApS (Adm. Direktør)

Møljner Holding ApS (Adm. Direktør)

Aria Holding ApS (Adm. Direktør)

### **Board member**

The Army Painter Group ApS

The Army Painter ApS

### **Executive Board**

#### **Henning Nielsen**

##### **CEO**

since 2024

Affiliation: Independent

## **OTHER MANAGEMENT DUTIES**

### **Executive Board**

The Army Painter Group ApS (Adm. Direktør)

The Army Painter ApS (Adm. Direktør)

MF 135 ApS (Adm. Direktør)

**Board member**

STATE IF WOW ApS

Nailster ApS

**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.

# Consolidated income statement for 2022/23

	Notes	2022/23 DKK
<b>Gross profit/loss</b>		<b>62,840,976</b>
Staff costs	2	(35,100,982)
Depreciation, amortisation and impairment losses	3	(30,382,530)
<b>Operating profit/loss</b>		<b>(2,642,536)</b>
Other financial income		1,947,829
Other financial expenses		(18,152,810)
<b>Profit/loss before tax</b>		<b>(18,847,517)</b>
Tax on profit/loss for the year	4	(1,084,430)
<b>Profit/loss for the year</b>	5	<b>(19,931,947)</b>



# Consolidated balance sheet at 31.12.2023

## Assets

	Notes	2022/23 DKK
Acquired intangible assets		45,271,378
Acquired trademarks		220,641,502
Goodwill		181,078,650
Development projects in progress	7	382,215
<b>Intangible assets</b>	<b>6</b>	<b>447,373,745</b>
Other fixtures and fittings, tools and equipment		6,851,692
Leasehold improvements		203,854
<b>Property, plant and equipment</b>	<b>8</b>	<b>7,055,546</b>
Deposits		836,121
<b>Financial assets</b>	<b>9</b>	<b>836,121</b>
<b>Fixed assets</b>		<b>455,265,412</b>
Raw materials and consumables		13,951,904
Work in progress		6,637,274
Manufactured goods and goods for resale		37,936,789
Prepayments for goods		3,144,294
<b>Inventories</b>		<b>61,670,261</b>
Trade receivables		16,386,785
Other receivables		1,315,334
Prepayments	10	1,147,832
<b>Receivables</b>		<b>18,849,951</b>
<b>Cash</b>		<b>16,147,015</b>
<b>Current assets</b>		<b>96,667,227</b>
<b>Assets</b>		<b>551,932,639</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022/23 DKK</b>
Contributed capital	11	69,735
Translation reserve		(11,355)
Retained earnings		232,683,928
<b>Equity</b>		<b>232,742,308</b>
Deferred tax	12	60,105,683
<b>Provisions</b>		<b>60,105,683</b>
Bank loans		96,480,000
Lease liabilities		2,261,715
Payables to owners and management		104,876,712
<b>Non-current liabilities other than provisions</b>	13	<b>203,618,427</b>
Current portion of non-current liabilities other than provisions	13	23,330,871
Bank loans		14,970,137
Prepayments received from customers		403,978
Trade payables		9,025,641
Payables to owners and management		1,856,994
Joint taxation contribution payable		108,565
Other payables	14	2,495,597
Deferred income	15	3,274,438
<b>Current liabilities other than provisions</b>		<b>55,466,221</b>
<b>Liabilities other than provisions</b>		<b>259,084,648</b>
<b>Equity and liabilities</b>		<b>551,932,639</b>
Events after the balance sheet date	1	
Unrecognised rental and lease commitments	17	
Contingent liabilities	18	
Assets charged and collateral	19	
Transactions with related parties	20	
Subsidiaries	21	

# Consolidated statement of changes in equity for 2022/23

	Contributed capital DKK	Share premium DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Contributed upon formation	40,000	40,000	0	0	80,000
Increase of capital	29,735	252,575,875	0	0	252,605,610
Transferred from share premium	0	(252,615,875)	0	252,615,875	0
Exchange rate adjustments	0	0	(11,355)	0	(11,355)
Profit/loss for the year	0	0	0	(19,931,947)	(19,931,947)
<b>Equity end of year</b>	<b>69,735</b>	<b>0</b>	<b>(11,355)</b>	<b>232,683,928</b>	<b>232,742,308</b>

# Consolidated cash flow statement for 2022/23

	Notes	2022/23 DKK
Operating profit/loss		(2,642,536)
Amortisation, depreciation and impairment losses		30,382,530
Working capital changes	16	(20,458,010)
<b>Cash flow from ordinary operating activities</b>		<b>7,281,984</b>
Financial income received		1,375,714
Financial expenses paid		(17,679,436)
Taxes refunded/(paid)		(5,000,000)
<b>Cash flows from operating activities</b>		<b>(14,021,738)</b>
Acquisition etc. of intangible assets		(410,329,881)
Acquisition etc. of property, plant and equipment		(11,085,057)
Sale of property, plant and equipment		20,000
Acquisition of enterprises		(39,432,684)
Deposits		(81,156)
<b>Cash flows from investing activities</b>		<b>(460,908,778)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(474,930,516)</b>
Loans raised		134,734,002
Repayment of lease liabilities		(1,138,793)
Cash capital increase		252,605,610
Payables to owners and management raised		104,876,712
<b>Cash flows from financing activities</b>		<b>491,077,531</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>16,147,015</b>
<b>Cash and cash equivalents end of year</b>		<b>16,147,015</b>
Cash and cash equivalents at year-end are composed of:		
Cash		16,147,015
<b>Cash and cash equivalents end of year</b>		<b>16,147,015</b>

# Notes to consolidated financial statements

## 1 Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## 2 Staff costs

	<b>2022/23</b>
	<b>DKK</b>
Wages and salaries	31,604,748
Pension costs	2,948,615
Other social security costs	547,619
	<b>35,100,982</b>
Average number of full-time employees	<b>64</b>

	<b>Remuneration of management 2022/23</b>
	<b>DKK</b>
Executive Board	4,358,349
Board of Directors	445,831
	<b>4,804,180</b>

## 3 Depreciation, amortisation and impairment losses

	<b>2022/23</b>
	<b>DKK</b>
Amortisation of intangible assets	26,202,389
Depreciation on property, plant and equipment	4,180,141
	<b>30,382,530</b>

## 4 Tax on profit/loss for the year

	<b>2022/23</b>
	<b>DKK</b>
Current tax	4,872,785
Change in deferred tax	(3,788,355)
	<b>1,084,430</b>

## 5 Proposed distribution of profit/loss

	<b>2022/23</b>
	<b>DKK</b>
Retained earnings	(19,931,947)
	<b>(19,931,947)</b>

## 6 Intangible assets

	<b>Acquired intangible assets DKK</b>	<b>Acquired trademarks DKK</b>	<b>Goodwill DKK</b>	<b>Development projects in progress DKK</b>
Addition through business combinations etc	50,301,531	232,254,213	190,638,175	0
Additions	0	0	0	382,215
<b>Cost end of year</b>	<b>50,301,531</b>	<b>232,254,213</b>	<b>190,638,175</b>	<b>382,215</b>
Amortisation for the year	(5,030,153)	(11,612,711)	(9,559,525)	0
<b>Amortisation and impairment losses end of year</b>	<b>(5,030,153)</b>	<b>(11,612,711)</b>	<b>(9,559,525)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>45,271,378</b>	<b>220,641,502</b>	<b>181,078,650</b>	<b>382,215</b>

## 7 Development projects

The company's development project consists of developing of a new webshop.

The development project is under development. Future improvements will be capitalized, while maintenance costs will be expensed in the income statement continuously. Management expects the development project to be completed by 2024.

Management has not identified any indications of impairment regarding the accounting value of DKK 382k. The development project is expected to generate positive cash flows that exceed the accounting value.

## 8 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Addition through business combinations etc	10,690,150	159,830
Additions	257,350	137,557
Disposals	(258,205)	0
<b>Cost end of year</b>	<b>10,689,295</b>	<b>297,387</b>
Depreciation for the year	(4,086,608)	(93,533)
Reversal regarding disposals	249,005	0
<b>Depreciation and impairment losses end of year</b>	<b>(3,837,603)</b>	<b>(93,533)</b>
<b>Carrying amount end of year</b>	<b>6,851,692</b>	<b>203,854</b>
Recognised assets not owned by Entity	3,945,963	0

## 9 Financial assets

	<b>Deposits DKK</b>
Addition through business combinations etc	754,965
Additions	81,156
<b>Cost end of year</b>	<b>836,121</b>
<b>Carrying amount end of year</b>	<b>836,121</b>

## 10 Prepayments

Prepayments consist of prepaid costs.

## 11 Contributed capital

	<b>Number</b>	<b>Par value DKK</b>	<b>Nominal value DKK</b>
A1 shares	5,970,200	0.01	59,702
A2 shares	773,200	0.01	7,732
B1 shares	230,100	0.01	2,301
	<b>6,973,500</b>		<b>69,735</b>

## 12 Deferred tax

	<b>2022/23 DKK</b>
Intangible assets	58,584,834
Property, plant and equipment	1,232,849
Inventories	1,061,000
Liabilities other than provisions	(773,000)
<b>Deferred tax</b>	<b>60,105,683</b>

	<b>2022/23 DKK</b>
<b>Changes during the year</b>	
Recognised in the income statement	(3,788,355)
Addition through business combinations etc	63,894,038
<b>End of year</b>	<b>60,105,683</b>

**13 Non-current liabilities other than provisions**

	Due within 12 months 2022/23 DKK	Due after more than 12 months 2022/23 DKK	Outstanding after 5 years 2022/23 DKK
Bank loans	22,080,000	96,480,000	0
Lease liabilities	1,250,871	2,261,715	0
Payables to owners and management	0	104,876,712	104,876,712
	<b>23,330,871</b>	<b>203,618,427</b>	<b>104,876,712</b>

**14 Other payables**

	2022/23 DKK
VAT and duties	397,556
Wages and salaries, personal income taxes, social security costs, etc. payable	1,093,771
Holiday pay obligation	736,090
Other costs payable	268,180
	<b>2,495,597</b>

**15 Deferred income**

Deferred Income consist of floating sales orders where the customer has paid, but the risk transfer has not occurred on the balance sheet date.

**16 Changes in working capital**

	2022/23 DKK
Increase/decrease in inventories	(11,542,962)
Increase/decrease in receivables	(5,895,121)
Increase/decrease in trade payables etc.	(7,327,441)
Other changes	4,307,514
	<b>(20,458,010)</b>

**17 Unrecognised rental and lease commitments**

	2022/23 DKK
Total liabilities under rental or lease agreements until maturity	<b>15,308,728</b>

**18 Contingent liabilities**

None.

**19 Assets charged and collateral**

The company has provided security for the subsidiary's debt to Nykredit.



The security is provided in shares in The Army Painter ApS, The Army Painter Group Holding ApS and Group loans.

## 20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

## 21 Subsidiaries

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
The Army Painter Group ApS	Skanderborg	ApS	100.00
The Army Painter ApS	Skanderborg	ApS	100.00
The Army Painter US, Inc	Delaware	Inc	100.00

# Parent income statement for 2022/23

	Notes	2022/23 DKK
<b>Gross profit/loss</b>		<b>(120,678)</b>
Income from investments in group enterprises		(19,829,637)
Other financial income	2	4,882,087
Other financial expenses		(4,876,712)
<b>Profit/loss before tax</b>		<b>(19,944,940)</b>
Tax on profit/loss for the year	3	12,992
<b>Profit/loss for the year</b>	<b>4</b>	<b>(19,931,948)</b>

# Parent balance sheet at 31.12.2023

## Assets

	Notes	2022/23 DKK
Investments in group enterprises		132,909,975
Receivables from group enterprises		204,250,690
<b>Financial assets</b>	5	<b>337,160,665</b>
<b>Fixed assets</b>		<b>337,160,665</b>
Joint taxation contribution receivable		12,992
<b>Receivables</b>		<b>12,992</b>
<b>Cash</b>		<b>490,362</b>
<b>Current assets</b>		<b>503,354</b>
<b>Assets</b>		<b>337,664,019</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022/23 DKK</b>
Contributed capital		69,735
Translation reserve		(11,355)
Retained earnings		232,683,927
<b>Equity</b>		<b>232,742,307</b>
Payables to owners and management		104,876,712
<b>Non-current liabilities other than provisions</b>	<b>6</b>	<b>104,876,712</b>
Trade payables		45,000
<b>Current liabilities other than provisions</b>		<b>45,000</b>
<b>Liabilities other than provisions</b>		<b>104,921,712</b>
<b>Equity and liabilities</b>		<b>337,664,019</b>
Events after the balance sheet date	1	
Employees	7	
Contingent liabilities	8	
Assets charged and collateral	9	
Related parties with controlling interest	10	
Transactions with related parties	11	

# Parent statement of changes in equity for 2022/23

	Contributed capital DKK	Share premium DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Contributed upon formation	40,000	40,000	0	0	80,000
Increase of capital	29,735	252,575,875	0	0	252,605,610
Transferred from share premium	0	(252,615,875)	0	252,615,875	0
Exchange rate adjustments	0	0	(11,355)	0	(11,355)
Profit/loss for the year	0	0	0	(19,931,948)	(19,931,948)
<b>Equity end of year</b>	<b>69,735</b>	<b>0</b>	<b>(11,355)</b>	<b>232,683,927</b>	<b>232,742,307</b>

# Notes to parent financial statements

## 1 Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## 2 Other financial income

	2022/23 DKK
Financial income from group enterprises	4,876,712
Other interest income	5,375
	<b>4,882,087</b>

## 3 Tax on profit/loss for the year

	2022/23 DKK
Refund in joint taxation arrangement	(12,992)
	<b>(12,992)</b>

## 4 Proposed distribution of profit and loss

	2022/23 DKK
Retained earnings	(19,931,948)
	<b>(19,931,948)</b>

## 5 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK
Additions	152,750,967	204,250,690
<b>Cost end of year</b>	<b>152,750,967</b>	<b>204,250,690</b>
Exchange rate adjustments	(11,355)	0
Share of profit/loss for the year	(19,829,637)	0
<b>Revaluations end of year</b>	<b>(19,840,992)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>132,909,975</b>	<b>204,250,690</b>

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 6 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2022/23 DKK</b>	<b>Outstanding after 5 years 2022/23 DKK</b>
Payables to owners and management	104,876,712	104,876,712
	<b>104,876,712</b>	<b>104,876,712</b>

## 7 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

## 8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which CC TAP Invest ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 9 Assets charged and collateral

The company has provided security for the subsidiary's debt to Nykredit.

The security is provided in shares in The Army Painter ApS, The Army Painter Group Holding ApS and Group loans.

## 10 Related parties with controlling interest

CC TAP Invest ApS owns 57,36% shares in the Entity, thus exercising control.

## 11 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. The Army Painter Group ApS has provided a group contribution to The Army Painter ApS. No other such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

## Non-comparability

It is the company's first financial year, comparative figures have not been included. The financial year consists of the period 18.10.2022 - 31.12.2023, corresponding to 15 months.

## Recognition and measurement

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

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

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

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

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

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.



## Foreign currency translation

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 income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, other operating income, costs of sales and other external expenses.

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For the amount of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation period used is 20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

**Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects in progress with acquired intangible assets and acquired trademarks.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. The amortisation periods used are 3-5 years.

Acquired intangible assets and acquired trademarks are measured at cost less accumulated amortisation. Acquired intangible assets are amortised over a period of 10 years. Acquired trademarks are amortised over a period of 20 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-6
Leasehold improvements	5

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Investments in group enterprises**

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For the amount of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation period used is 20 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

**Receivables**

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

**Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Prepayments**

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

**Cash**

Cash comprises bank deposits.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

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

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital

and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.