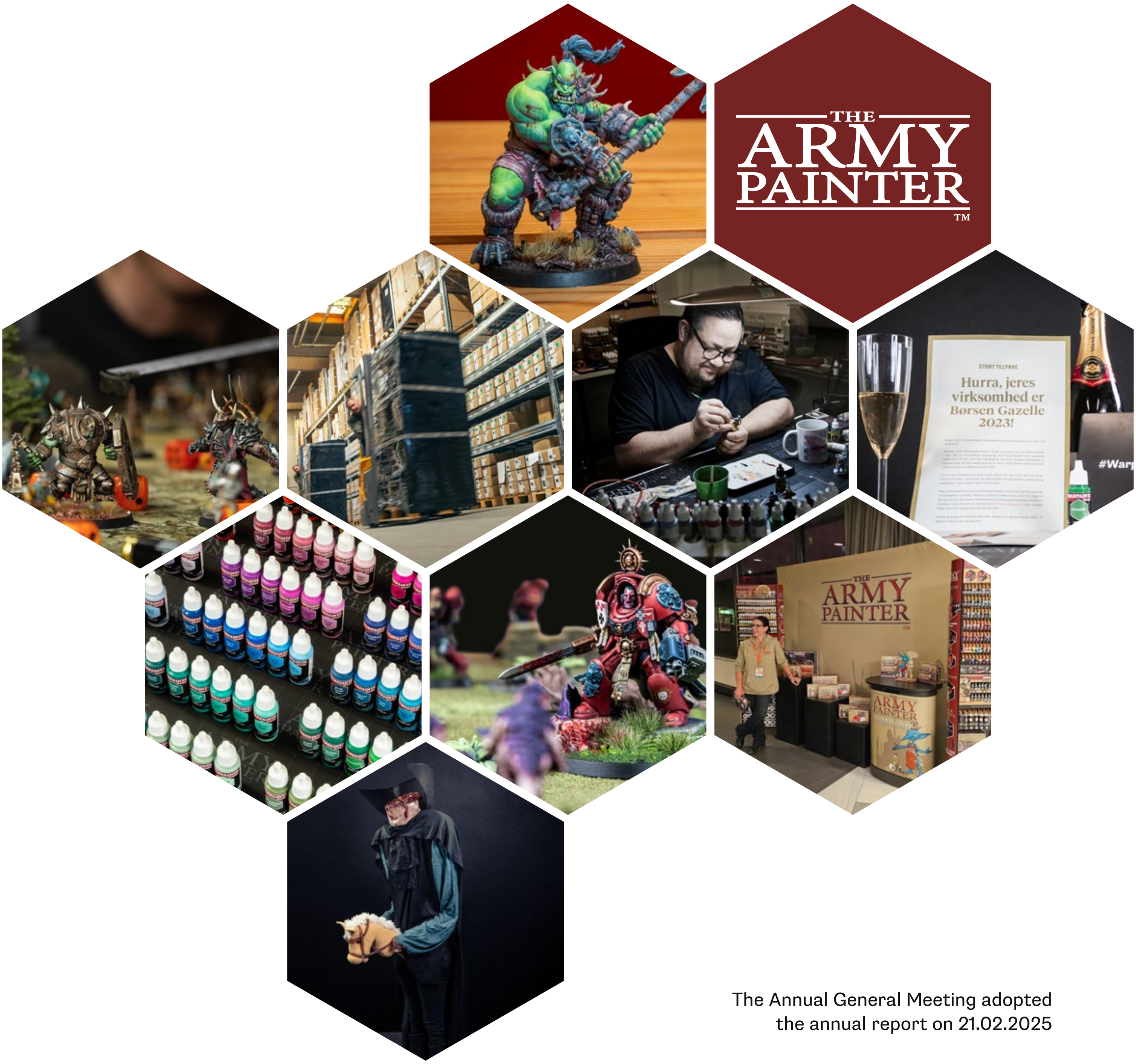
ANNUAL REPORT 2024



The Annual General Meeting adopted
the annual report on 21.02.2025

The Army-Painter ApS
Christiansmindevej 12
8660 Skanderborg
CVR No. 30720121

Palle Børlum Winther
Chairman of the General Meeting

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ENTITY DETAILS

Entity
The Army Painter ApS
Christiansmindevej 12
8660 Skanderborg

Business Registration No.: 30720121
Registered office: Skanderborg
Financial year: 01.01.2024 – 31.12.2024

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

Executive Board
Henning Nielsen, CEO
Palle Børlum Winther, CFO

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report of The Army Painter ApS for the financial year 01.01.2024 – 31.12.2024.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 – 31.12.2024.

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

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

Skanderborg, 21.02.2025

Executive Board

Henning Nielsen
CEO

Palle Børlum Winther
CFO

Board of Directors

Søren Torp Laursen
Chairman

Lasse Hadberg Lynge
Deputy chairman

Lars Prisak

Line Nymann Penstoft

Jeppe Kallesøe Odefey

Jens Jørgen Hahn-Petersen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of The Army Painter ApS

Opinion

We have audited the financial statements of The Army Painter ApS for the financial year 01.01.2024 – 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 – 31.12.2024 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 financial statements" section of this auditor's report. We are independent of the Entity 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 financial statements

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

In preparing the financial statements, Management is responsible for assessing the 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 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. 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 financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

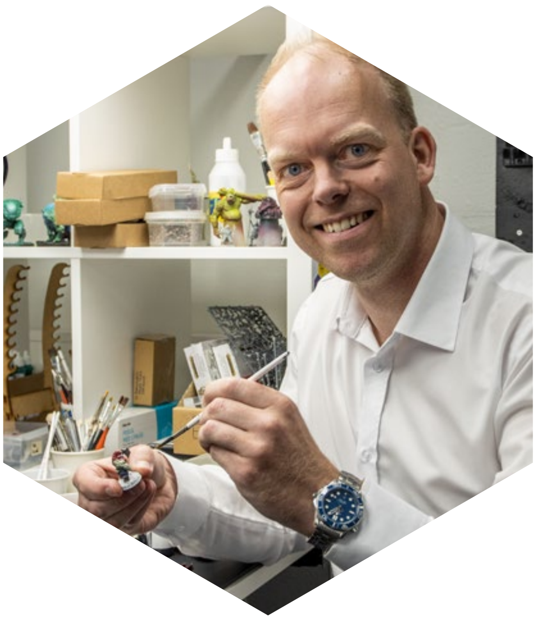
Aarhus, 21.02.2025

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

	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000
Key figures					
Gross profit/loss	84,394	72,565	74,734	61,589	43,773
Operating profit/loss	48,767	41,659	45,050	34,762	24,543
EBITDA †	51,646	44,765	47,892	36,946	25,414
EBITDA – adjusted ‡	57,213	49,582	47,892	36,946	25,414
Net financials	(841)	(2,144)	1,308	(308)	(1,233)
Profit/loss for the year	37,623	30,933	36,135	26,584	18,176
Total assets	98,285	102,255	68,064	73,799	52,501
Investments in property, plant and equipment	1,899	395	736	5,837	6,839
Equity	66,537	53,904	39,433	36,298	21,714
Average number of employees	65	62	55	57	38
Ratios					
EBITDA (%)	22.95	23.70	30.10	28.91	25.85
EBITDA – adjusted (%)	25.42	26.25	30.10	28.91	25.85
Return on equity (%)	62.48	66.28	95.43	91.65	95.34

† EBITDA consist of gross profit/loss, staff costs and income from investments in group enterprises.
‡ EBITDA – adjusted consists of gross profit/loss, staff costs and income from investments in group enterprises excluding special items such as transaction costs related to acquisitions, extraordinary costs to changes in C-level team e.g. severance pay and recruitment fees, consultant fees for strategic projects and extraordinary inventory write-downs not in the ordinary course of business (e.g. from discontinued products and change in impairment method), etc.

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

EBITDA (%):
EBITDA × 100
Revenue

EBITDA – adjusted (%):
EBITDA – adjusted × 100
Revenue

Return on equity (%):
Profit/loss for the year × 100
Average equity

Primary activities
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. Our mission is to provide high-quality products that help hobbyists and artists bring their visions to life, allowing them to "get more time for gaming".

We distribute our products globally through both traditional retail and digital channels, reaching end-users directly and via distributors. Our production is primarily based in Skanderborg, Denmark.

Development in activities and finances
In 2024, The Army Painter experienced continued growth in both revenue and earnings, once again achieving double-digit revenue growth compared to last year. The growth spanned multiple geographical markets and sales channels and was driven by the successful launch of our new flagship product range, Warpaint Fanatic, and steady offtake within the existing product portfolios.

Profit/loss for the year in relation to expected developments
Our expectations for 2024 EBITDA, as stated in the management review in the annual report last year, was an increased profitability compared to the result from 2023. With adjusted EBITDA for 2024 reaching 57.2m, these expectations were met.

During 2024, The Army Painter focused on further strengthening product development, ensuring a strong pipeline of exciting products for our enthusiastic customers. We partnered up with industry legends fostering a portfolio of news-breaking products being launched early 2025. Significant investments in our digital infrastructure, including the implementation of a new Warehouse Management System and the initiation of a new business intelligence platform, ensure our IT landscape continues to support the business effectively.
Commercially, we insourced the European web shop, enabling a seamless and integrated customer experience. Additionally, we invested in organizational changes, particularly within our management group, significantly strengthening our competencies and capabilities while successfully integrating these changes into our existing company culture. Our relentless efforts to expand our unique people and culture universe have allowed us to maintain high employee satisfaction while adapting operations to new effcient ways of working. Lastly, our organization was involved in various activities as part of a successful supplier acquisition process, completed in January 2025.

While our 2023 product launch of Speedpaint 2.0 complemented traditional acrylic paints by catering to both novice and experienced/professional users, our successful 2024 launch of Warpaint Fanatic achieved similar heights. The launch success was driven by the products' high pigmentation, flexible triad systems, versatile application, and wide range of paints, making it a versatile and high-performance choice for miniature painting.

Considering the investments in product development, activities related to the product launches in 2024, development of the organization and IT investments, management finds the result satisfactory.

Outlook

As a result of the continued growth in the market, the strength of our product portfolio coupled with the exciting upcoming product launches in 2025, The Army Painter expects continued growth in 2025 and to solidify the position as the independent global market leader in tabletop miniature paints and accessories. Significant investments in past years will foster a strong foundation for growth within both revenue and profitability.

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 2025 to increase between 10-20% compared to 2024.

Risks

The board of directors and management continuously monitor both internal and external business risks. The company is affected by price developments in raw materials, transportation and market conditions in general in addition to below risks:

US Tariff risk

Import tariff increases in the US will have a negative impact in the short term until the market settles.

The demand for our paint and accessory products is relatively inelastic, meaning that minor changes in price have a limited impact on the demand. Our customers value the quality and uniqueness of our offerings, leading to consistent sales regardless of price fluctuations.

Currency risks

The company is exposed to currency risk arising from fluctuations in exchange rates between Danish kroner (DKK) and US Dollar (USD) / Euro (EUR), as a significant share of the company's revenue inflow is in USD and EUR. This risk is partially mitigated through a natural hedge whereas the inflow risk is offset by expenses and purchase of raw materials in the currency in question. As the currency risk between the Danish kroner (DKK) and the Euro (EUR) remains minimal due to Denmark's fixed exchange rate policy, the main risk is towards USD.

Regular monitoring of exchange rate trends and market conditions are conducted internally, and hedging strategies are adjusted as needed to respond to significant changes in the currency market.

Active hedging through financial instruments such as forward contracts, options or other financial instruments has been considered but is currently not being used. These instruments or similar may be used in the future to manage the currency-related risk. By implementing these instruments, we aim to minimize the impact of currency risk on our operations and maintain financial stability.

IT risks
The Army Painter faces various IT risks that could impact operations, financial performance, and reputation. We do recognize the importance of robust IT risk management to ensure business continuity and safeguard our critical assets especially as we are amplifying our digital landscape and strategic online presence.

In 2024 we have initiated further actions to mitigate risks within five areas: (1) Cybersecurity threats, (2) Data Protection and Privacy, (3) System Downtime and Reliability, (4) Third-Party Risks, and (5) Emerging Technologies. In 2025 we will strengthen the effort by addressing these IT risks proactively, by updating our IT policies and further educate our employees.

Suppliers' risks
The Army Painter maintains close and long-standing relationships with its main suppliers and adjusts forecasts throughout the year to manage the supply of raw materials.

The majority of our suppliers are within the European Union, and to a minor degree in Asia. 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 and ESG.

Environmental performance

Although The Army Painter is not required to comply with the European CSRD (Corporate Sustainability Reporting Directive), our shareholders, board of directors, and management are dedicated to measuring, monitoring, and enhancing our ESG (Environmental, Social, and Governance) footprint and initiatives. In 2024, we set strategic goals and launched initiatives to ensure continuous improvement within these areas.

Environmental performance
In 2024, the company successfully completed calculations for Scope 1, Scope 2, and Scope 3 emissions for the baseline year 2022 and the subsequent year 2023. These results were meticulously audited by an external party, establishing a robust foundation for the company's future emission reduction goals. This comprehensive assessment underscores the company's commitment to sustainability and paves the way for significant environmental impact reduction in the coming years.Goals and initiatives to reduce emissions within all scopes towards 2030 have been formalized and are now a part of our quarterly management reporting. This is in accordance with the guidelines for CataCap's portfolio companies.

During 2025 we will allocate additional resources and focus to further decrease our emissions.

Social performance
For years, The Army Painter has been heavily involved in the community, through donating paints and accessories to children with special needs, both in Denmark but also abroad. Furthermore, we welcome a flexible working environment and hold various positions for employees with disabilities. Our overall organizational gender diversity is 50/50 at the end of 2024, whereas the executive management is constituted by 33% women.

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 a management structure consisting of a board of directors and management team. The board of directors meets according to a set schedule, at least 5 times a year. In addition, a similar number of Chairmanship meetings are held.

Governance

To provide transparency, The Army Painter 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 monitor 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 commercial, operational and financial parameters, including risk assessment of investments and markets.

The Army Painters' top management consists of

Søren Torp Laursen
Executive Board
Cascas Holding ApS
Cascas Invest ApS
Varier Furniture AS
BørneRiget Fonden

Chairman
The Army Painter ApS
The Army Painter Group ApS
The Army Painter Group Holding ApS
Koble ApS
Postevand ApS

Board member
Ejendomsselskabet Frederiks Alle 105 P/S
Marselisborg Alle 24 P/S
Værkstedvej 41 P/S
People2Play ApS
Koble Holding ApS
Mattel, Inc

Lasse Hadberg Lynge
Executive Board
LHLH ApS

Deputy chairman
The Army Painter ApS
The Army Painter Group ApS
The Army Painter Group Holding ApS

Board member
Aerfin Holdings Limited
Aerfin Limited
Atlantic HoldCo Limited
Atlantic OfferCo Limited

Jens Jørgen Hahn-Petersen
Executive Board
PROSPERITAS ApS
CATACAP MANAGEMENT A/S
CATACAP GENERAL PARTNER I ApS
CATACAP OP ApS
CATACAP DM ApS
CataCap General Partner II ApS
CC II Management Invest 2017 GP ApS
CataCap DM II ApS
CC Fly Invest ApS
Rekom ManCo ApS
TPA Green ManCo ApS
CC Globe Invest ApS
Globe ManCo ApS
CC Toaster Invest ApS
Luxplus MIIP ApS
CataCap General Partner III ApS
CC North Invest ApS
CC DAFA Invest ApS
DAFA MIIP ApS
CC TopCo Invest ApS
CC HoldCo ApS
CC BidCo ApS
CC TAP Invest 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
CC Aviation General Partner I ApS
NLM Vantinge IP ApS

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

Jeppe Kallesøe Odefey
Executive Board
Odekal management ApS

Board member
G.O. HOLDING A/S
HOLGER KRISTIANSENS EFTF. AALBORG A/S
G.O. TRANS A/S
G.O. TRANSPORT & SPEDITION A/S
The Army Painter ApS
The Army Painter Group ApS
The Army Painter Group Holding ApS
NEMLIG.COM A/S

Lars Prisak
Executive Board
LH Investering ApS
Triarca Holding ApS
Lanpri ApS
Prisak Invest ApS
Triarca A/S
Investeringsselskabet af 14 juni 2024 ApS
AE2017 Bidco ApS

Chairman
B6 A/S

Board member
B6 Nordic A/S
The Army Painter ApS
The Army Painter Group ApS
The Army Painter Group Holding ApS
Triarca Holding ApS
HAMAG A/S
Triarca A/S

Line Nymann Penstoft
Executive Board
Sigfred Holding ApS
Møljner Holding ApS
Aria Holding ApS
Pixie Capital ApS

Board member
The Army Painter ApS
The Army Painter Group ApS
The Army Painter Group Holding ApS
TAP Paint Factory S.L.
The Army Painter Inc

Henning Nielsen
Executive Board
MF 135 ApS
The Army Painter ApS
The Army Painter Group ApS
The Army Painter Group Holding ApS

Board member
BISGAARD SKO A/S
Nailster A/S
Bisgaard Sko Logistics A/S
TAP Paint Factory S.L

Palle Winther
Executive Board
The Army Painter ApS
The Army Painter Group ApS
The Army Painter Group Holding ApS
PACE Consulting ApS

Board member
Furnipart Holding A/S
TAP Paint Factory S.L

Annual report
The Company's annual report is available on the website:
https://thearmypainter.com/

Events after the balance sheet date

In January 2025, The Army Painter acquired one of its key paint suppliers. The acquisition supports the company's growth strategy and ambition to strengthen production, supply and innovation. The Board and management look forward to realizing the synergies supporting our overall ambition of "full Galactic domination".

INCOME STATEMENT FOR 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		**84,394,179**	**72,565,263**
Staff costs	2	(33,049,441)	(27,789,445)
Depreciation, amortisation and impairment losses	3	(2,577,847)	(3,116,847)
Operating profit/loss		**48,766,891**	**41,658,971**
Income from investments in group enterprises		301,576	131,141
Other financial income	4	4,724,952	1,938,677
Other financial expenses	5	(5,565,780)	(4,082,936)
Profit/loss before tax		**48,227,639**	**39,645,853**
Tax on profit/loss for the year	6	(10,604,297)	(8,712,976)
Profit/loss for the year	7	**37,623,342**	**30,932,877**

BALANCE SHEET AT 31.12.2024

Assets

	Note	2024 DKK	2023 DKK
Development projects in progress	9	245,100	382,215
Intangible assets	8	**245,100**	**382,215**
Other fixtures and fittings, tools and equipment		4,032,403	4,725,104
Leasehold improvements		217,913	203,854
Property, plant and equipment	10	**4,250,316**	**4,928,958**
Investments in group enterprises		475,854	164,562
Deposits		851,519	836,121
Financial assets	11	**1,327,373**	**1,000,683**
Fixed assets		**5,822,789**	**6,311,856**
Raw materials and consumables		9,460,191	13,951,904
Work in progress		4,873,363	6,637,274
Manufactured goods and goods for resale		28,083,010	37,936,789
Prepayments for goods		2,813,279	3,144,294
Inventories		**45,229,843**	**61,670,261**
Trade receivables		16,074,107	16,386,785
Receivables from group enterprises		179,642	48,161
Other receivables		709,611	1,275,537
Prepayments	12	999,743	1,088,476
Receivables		**17,963,103**	**18,798,959**
Cash		**29,269,000**	**15,473,706**
Current assets		**92,461,946**	**95,942,926**
Assets		**98,284,735**	**102,254,782**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		125,000	125,000
Translation reserve		(1,639)	(11,355)
Reserve for net revaluation according to the equity method		443,338	165,781
Retained earnings		30,970,565	53,624,780
Proposed dividend		35,000,000	0
Equity		**66,537,264**	**53,904,206**
Deferred tax	13	968,000	1,137,000
Provisions		**968,000**	**1,137,000**
Lease liabilities		1,001,834	2,261,715
Non-current liabilities other than provisions	14	**1,001,834**	**2,261,715**
Current portion of non-current liabilities other than provisions	14	1,259,932	1,250,871
Bank loans		1,627,113	689,103
Prepayments received from customers		225,027	403,978
Trade payables		8,628,246	7,542,470
Payables to group enterprises		8,866,316	24,067,445
Payables to shareholders and management		18,155	1,856,994
Joint taxation contribution payable		7,784,040	3,605,976
Other payables		1,368,808	2,260,586
Deferred income	15	0	3,274,438
Current liabilities other than provisions		**29,777,637**	**44,951,861**
Liabilities other than provisions		**30,779,471**	**47,213,576**
Equity and liabilities		**98,284,735**	**102,254,782**
Events after the balance sheet date	1		
Contingent liabilities	16		
Assets charged and collateral	17		
Related parties with controlling interest	18		
Non-arm’s length related party transactions	19		
Group relations	20		

STATEMENT OF CHANGES IN EQUITY FOR 2024

	Contributed capital DKK	Translation reserve DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed extraordinary dividend DKK
Equity beginning of year	125,000	(11,355)	165,781	53,624,780	0
Extraordinary dividend paid	0	0	0	0	(25,000,000)
Exchange rate adjustments	0	9,716	0	0	0
Profit/loss for the year	0	0	277,557	(22,654,215)	25,000,000
Equity end of year	**125,000**	**(1,639)**	**443,338**	**30,970,565**	**0**

	Proposed divided DKK	Total DKK
Equity beginning of year		53,904,206
Extraordinary dividend paid		(25,000,000)
Exchange rate adjustments		9,716
Profit/loss for the year	35,000,000	37,623,342
Equity end of year	**35,000,000**	**66,537,264**

NOTES

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

	2024 DKK	2023 DKK
Wages and salaries	28,878,768	24,784,505
Pension costs	3,525,698	2,576,458
Other social security costs	644,975	428,482
	33,049,441	**27,789,445**

Average number of full-time employees	65	62

The management is compensated in The Army Painter Group ApS, which is referred to in the annual report of the Army Painter Group ApS.

3 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Depreciation of property, plant and equipment	2,577,847	3,116,847
	2,577,847	**3,116,847**

4 Other financial income

	2024 DKK	2023 DKK
Financial income from group enterprises	21,968	12,458
Other interest income	578,943	0
Exchange rate adjustments	4,124,041	1,926,219
	4,724,952	**1,938,677**

5 Other financial expenses

	2024 DKK	2023 DKK
Financial expenses from group enterprises	735,294	759,811
Other interest expenses	990,531	234,576
Exchange rate adjustments	3,768,550	2,889,776
Other financial expenses	71,405	198,773
	5,565,780	**4,082,936**

6 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	10,784,040	8,605,976
Change in deferred tax	(169,000)	107,000
Adjustment concerning previous years	(10,743)	0
	10,604,297	**8,712,976**

7 Proposed distribution of profit and loss

	2024 DKK	2023 DKK
Ordinary dividend for the financial year	35,000,000	0
Extraordinary dividend distributed in the financial year	25,000,000	26,000,000
Retained earnings	(22,376,658)	4,932,877
	37,623,342	**30,932,877**

8 Intangible assets

	Development projects in progress DKK
Cost beginning of year	382,215
Additions	245,100
Disposals	(382,215)
Cost end of year	**245,100**
Carrying amount end of year	**245,100**

9 Development projects

The company's development project consists of developing of a data warehouse project.

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 2025.

Management has not identified any indications of impairment regarding the accounting value of DKK 245k. The development project is expected to generate positive cash flows that exceed the accounting value.

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	14,678,096	417,229
Additions	1,787,380	111,825
Disposals	(2,972,278)	0
Cost end of year	**13,493,198**	**529,054**
Depreciation and impairment losses beginning of year	(9,952,992)	(213,375)
Depreciation for the year	(2,480,081)	(97,766)
Reversal regarding disposals	2,972,278	0
Depreciation and impairment losses end of year	**(9,460,795)**	**(311,141)**
Carrying amount end of year	**4,032,403**	**217,913**
Recognised assets not owned by entity	2,226,685	0

11 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	10,136	836,121
Additions	22,380	15,398
Cost end of year	**32,516**	**851,519**
Revaluations beginning of year	154,426	0
Exchange rate adjustments	9,716	0
Share of profit/loss for the year	279,196	0
Revaluations end of year	**443,338**	**0**
Carrying amount end of year	**475,854**	**851,519**

Investments in subsidiaries	Registered in	Corporated form	Equity interest %
The Army Painter US, Inc	Delaware	Inc	100.00
TAP Paint Factory S.L.	Valencia	S.L.	100.00

12 Prepayments

Prepayments consist of prepaid costs.

13 Deferred tax

	2024 DKK	2023 DKK
Intangible assets	54,000	84,000
Property, plant and equipment	385,000	765,000
Inventories	1,027,000	1,061,000
Liabilities other than provisions	(498,000)	(773,000)
Deferred tax	**968,000**	**1,137,000**

Changes during the year	2024 DKK	2023 DKK
Beginning of year	1,137,000	1,030,000
Recognised in the income statement	(169,000)	107,000
End of year	**968,000**	**1,137,000**

14 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK	Due within 12 months 2023 DKK	Due after more than 12 months 2024 DKK
Lease liabilities	1,259,932	1,250,871	1,001,834
	1,259,932	**1,250,871**	**1,001,834**

There is no debt due after 5 years.

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 Contingent liabilities

	2024 DKK	2023 DKK
Recourse and non-recourse guarantee commitments	11,119,372	15,288,445
Contingent liabilities	**11,119,372**	**15,288,445**

The Entity participates in a Danish joint taxation arrangement where 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, royalties and dividend 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.

17 Assets charged and collateral

As security for all the Company's and Intercompany bank debt to Nykredit, the Company has granted a floating charge of DKK 4,000k on intellectual property rights, other fixtures and fittings, tools and equipment, trade receivables and inventories.

The carrying amount of assets charged at 31.12.2024 is DKK 66,262k (31.12.2023: DKK 83,368k).

The Entity has entered into an agreement with a supplier on the minimum purchase of raw materials. The company's obligation per 31.12.2024 amounts to a total of: DKK 8,380k. (31.12.2023: DKK 10,526k).

18 Related parties with controlling interest

The Army Painter Group ApS owns all shares in the Entity, thus exercising control.

19 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. The company has received a group contribution in the financial year. No other such transactions have been conducted in the financial year.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: The Army Painter Group Holding ApS, Skanderborg, CVR-nr. 43 58 32 04

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: The Army Painter Group Holding ApS, Skanderborg, CVR-nr. 43 58 32 04

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).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

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.

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, cost of sales and 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, and salary refunds.

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 ordinary 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 salaries and wages, 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 assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

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, and payables and transactions in foreign currencies.

Other financial expenses
Other financial expenses comprise interest expenses and payables and transactions in foreign currencies.

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 Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc
Intellectual property rights etc comprise development projects in progress.

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.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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:

	Useful life
Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	5 years

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 according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

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.

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

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 of 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.

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

Joint taxation contributions receivable or payable
Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax.

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

Cash
Cash comprises cash in bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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.

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.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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.

Joint taxation contributions payable or receivable
Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been 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.

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

Cash flow statement
Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of The Army Painter Group Holding ApS, Business Reg. No. 43 58 32 04.