Real Lava ApS

Valdemarsgade 2 5.th, 1665 København V, 1665 København V

CVR no. 42 87 42 21

Annual report for the period

1 January to 31 December 2024

Adopted at the annual general meeting on 16 June 2025

Sigrid Helene Dyekjær
Chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Real Lava ApS for the financial year 1 January - 31 December 2024.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2024 and of the results of the company's operations for the financial year 1 January - 31 December 2024.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 16 June 2025

Executive board

Sigrid Helene Dyekjær
Director

Supervisory board

Sigrid Helene Dyekjær chairman	Pierre-Emmanuel Neves Branco	Jennifer Christiane Jacqueline Billot

Independent auditor's report

To the shareholders of Real Lava ApS

Opinion

We have audited the financial statements of Real Lava ApS for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2024 and of the results of the company's operations for the financial year 1 January - 31 December 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor's responsibilities for the audit of the financial statements” section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 the 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company 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.

Independent auditor's report

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 company'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 company'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 company to cease to continue as a going concern.

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

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

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

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

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

Based on the work we have performed, we conclude that management's review 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 management's review.

Copenhagen, 16 June 2025

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Michael Brink Larsen
statsautoriseret revisor
mne23256

Company details

The company	Real Lava ApS Valdemarsgade 2 5.th, 1665 København V 1665 København V	
	CVR no.:	42 87 42 21
	Reporting period:	1 January - 31 December 2024
	Incorporated:	1 December 2021
	Domicile:	Copenhagen
Supervisory board	Sigrid Helene Dyekjær, chairman Pierre-Emmanuel Neves Branco Jennifer Christiane Jacqueline Billot	
Executive board	Sigrid Helene Dyekjær, director	
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby	

Management's review

Business review

The company's main activity consists of developing, producing and selling documentary films and other related business.

Financial review

The company's income statement for the year ended 31 December 2024 shows a loss of DKK 3.831.156, and the balance sheet at 31 December 2024 shows equity of DKK 1.747.140.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Gross profit		**-82.932**	**-2.970.026**
Staff costs	1	-1.757.375	-1.575.829
Profit/loss before amortisation/depreciation and impairment losses		**-1.840.307**	**-4.545.855**
Depreciation and impairment of intangible assets		-1.405.750	-768.459
Profit/loss before net financials		**-3.246.057**	**-5.314.314**
Financial income		136.464	48.098
Financial costs	2	-721.563	-643.065
Profit/loss before tax		**-3.831.156**	**-5.909.281**
Tax on profit/loss for the year		0	-119.840
Profit/loss for the year		**-3.831.156**	**-6.029.121**
Recommended appropriation of profit/loss			
Transferred to reserve for development expenditure		-2.369.540	1.746.440
Retained earnings		-1.461.616	-7.775.561
		-3.831.156	**-6.029.121**

Balance sheet 31 December

	Note	2024	2023
		DKK	DKK
Assets			
Completed development projects		1.274.582	0
Acquired patents		2.305.377	3.073.836
Development projects in progress		15.804.420	18.842.293
Intangible assets	3	**19.384.379**	**21.916.129**
Total non-current assets		**19.384.379**	**21.916.129**
Trade receivables		871.503	307.147
Receivables from Participating interests		16.923	251.411
Other receivables		162.100	358.458
Receivable from shareholders and management		0	104.415
Receivables		**1.050.526**	**1.021.431**
Cash at bank and in hand		**2.613.321**	**1.151.938**
Total current assets		**3.663.847**	**2.173.369**
Total assets		**23.048.226**	**24.089.498**

Balance sheet 31 December

	Note	2024	2023
		DKK	DKK
Equity and liabilities			
Share capital		56.452	56.452
Reserve for development expenditure		12.327.448	14.696.988
Retained earnings		-10.636.760	-9.175.144
Equity		**1.747.140**	**5.578.296**
Payables to Group companies		19.556.963	16.758.018
Total non-current liabilities	4	**19.556.963**	**16.758.018**
Trade payables		371.971	805.189
Payables to Group companies		1.211.421	825.802
Payables to shareholders and management		34.117	0
Other payables		126.614	122.193
Total current liabilities		**1.744.123**	**1.753.184**
Total liabilities		**21.301.086**	**18.511.202**
Total equity and liabilities		**23.048.226**	**24.089.498**

Statement of changes in equity

	Share capital	Reserve for development expenditure	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	56.452	14.696.988	-9.175.144	5.578.296
Net profit/loss for the year	0	-2.369.540	-1.461.616	-3.831.156
Equity at 31 December	**56.452**	**12.327.448**	**-10.636.760**	**1.747.140**

Notes

		2024	2023
		DKK	DKK
1	**Staff costs**		
	Wages and salaries	2.889.934	2.397.698
	Other social security costs	35.457	35.594
	Other staff costs	-86.809	-112.277
		2.838.582	**2.321.015**
	Transfer to production wages	-1.081.207	-745.186
		1.757.375	**1.575.829**
	Number of fulltime employees on average	3	3
2	**Financial costs**		
	Financial expenses, group entities	691.852	563.967
	Other financial costs	0	5.490
	Exchange loss	29.711	73.608
		721.563	**643.065**

Notes

3 Intangible assets

	Completed development projects	Acquired patents	Development projects in progress
	DKK	DKK	DKK
Cost at 1 January at 1 January	0	4.610.754	18.842.293
Disposals for the year	0	0	-1.126.000
Transfers for the year	1.911.873	0	-1.911.873
Cost at 1 January at 31 December	1.911.873	4.610.754	15.804.420
Impairment losses and amortisation at 1 January	0	1.536.918	0
Amortisation for the year	637.291	768.459	0
Impairment losses and amortisation at 31 December	637.291	2.305.377	0
Carrying amount at 31 December	**1.274.582**	**2.305.377**	**15.804.420**

Special assumptions regarding development projects and tax assets

Development projects cover costs for developing film projects with deductions from funding received. The development projects support the company's revenue and thus generate cash flows now and in the future. The projects are progressing as planned using the resources that the management has set aside for the development. Prior to the initiation of the projects, the company has investigated the market, the financing options and the need for the project in question. When the projects are completed, the net costs are transferred to Completed development Projects and amortized over 3 years.

4 Long term debt

	2024	2023
	DKK	DKK
Payables to Group companies		
Between 1 and 5 years	19.556.963	16.758.018
Non-current portion	19.556.963	16.758.018
Other short-term debt to Group companies	1.211.421	825.802
Current portion	1.211.421	825.802
	20.768.384	**17.583.820**

Notes

5 Contingent liabilities

The company has entered into operating leases at the following amounts:

Term to maturity in 31 months as per 31 December 2024 with a total contingent liability amounting to DKK 129.556 as per 31 December 2024.

Accounting policies

The annual report of Real Lava ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale is recognised in the income statement, provided that the transfer of risk has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses comprise the year´s amortion, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on foreign currency transactions and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects and patents

Developments projects in progress recognised in the balance sheet are measured at cost less impairment losses. After the completion of the development work, development costs are written off on a straight-line basis over the assessed amount economic useful life. The depreciation period is usually 3 years.

Patents are measured at cost less accumulated amortisation and impairment losses. Patents are depreciated on a straight-line basis over the estimated economic life. The depreciation period is usually 6 years.

Receivables

Receivables are measured at amortised cost.

Accounting policies

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise deposits at banks.

Income tax and deferred tax

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.