Pixelz ApS

Blegdamsvej 6, DK-2200 København N

Annual Report for 2024

CVR No. 33 38 57 30

The Annual Report was presented and adopted at the Annual General Meeting of the company on 9/7 2025

Thomas Ladefoged
Chairman of the general meeting

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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Pixelz 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 financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København N, 9 July 2025

Executive Board

Thomas Ladefoged
CEO

Board of Directors

Joel Allen Russ
Chairman

Jesper Kjær Bahlke

Independent Auditor's report

To the shareholders of Pixelz ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of Pixelz ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

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’ 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 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.

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.

Herning, 9 July 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Poul Spencer Poulsen
State Authorised Public Accountant
mne23324

Company information

The Company	Pixelz ApS Blegdamsvej 6 DK-2200 København N CVR No: 33 38 57 30 Financial period: 1 January - 31 December Incorporated: 5 January 2011 Financial year: 14th financial year Municipality of reg. office: København N
Board of Directors	Joel Allen Russ, chairman Jesper Kjær Bahlke
Executive Board	Thomas Ladefoged
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 DK-7400 Herning

Income statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Gross profit		**1,709,263**	**2,599,063**
Staff expenses	2	-1,688,077	-2,408,653
Earnings Before Interest Taxes Depreciation and Amortisation		**21,186**	**190,410**
Profit/loss before financial income and expenses		**21,186**	**190,410**
Income from investments in subsidiaries		15,000,000	0
Financial income	3	185,300	591,867
Financial expenses	4	-1,234,360	-3,074,806
Profit/loss before tax		**13,972,126**	**-2,292,529**
Tax on profit/loss for the year	5	167,419	473,874
Net profit/loss for the year		**14,139,545**	**-1,818,655**

Distribution of profit

	2024	2023
	DKK	DKK
Proposed distribution of profit		
Extraordinary dividend paid	15,000,000	0
Proposed dividend for the year	12,000,000	0
Retained earnings	-12,860,455	-1,818,655
	14,139,545	**-1,818,655**

Balance sheet 31 December

Assets

	Note	2024	2023
		DKK	DKK
Other fixtures and fittings, tools and equipment		24,227	24,227
Property, plant and equipment	6	**24,227**	**24,227**
Investments in subsidiaries	7	44,896,476	44,896,476
Fixed asset investments		**44,896,476**	**44,896,476**
Fixed assets		**44,920,703**	**44,920,703**
Receivables from group enterprises		6,772,821	16,489,920
Deferred tax asset		8,074	12,542
Corporation tax		385,087	895,279
Prepayments		19,974	72,193
Receivables		**7,185,956**	**17,469,934**
Cash at bank and in hand		**47,627**	**274,017**
Current assets		**7,233,583**	**17,743,951**
Assets		**52,154,286**	**62,664,654**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		DKK	DKK
Share capital	8	1,039,474	1,039,474
Retained earnings		832,840	13,693,295
Proposed dividend for the year		12,000,000	0
Equity		**13,872,314**	**14,732,769**
Credit institutions		1,267,895	0
Trade payables		162,582	263,556
Payables to group enterprises		35,705,213	45,545,133
Other payables		1,146,282	2,123,196
Short-term debt		**38,281,972**	**47,931,885**
Debt		**38,281,972**	**47,931,885**
Liabilities and equity		**52,154,286**	**62,664,654**
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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1,039,474	13,693,295	0	14,732,769
Extraordinary dividend paid	0	-15,000,000	0	-15,000,000
Net profit/loss for the year	0	2,139,545	12,000,000	14,139,545
Equity at 31 December	**1,039,474**	**832,840**	**12,000,000**	**13,872,314**

Notes to the Financial Statements

1. Key activities

The main activity consists of photo retouching as well as ownership of equity interests in companies whose activities also involve photo retouching.

2. Staff expenses

	2024	2023
	DKK	DKK
Wages and salaries	1,392,142	1,991,881
Pensions	288,641	376,502
Other social security expenses	7,294	23,883
Other staff expenses	0	16,387
	1,688,077	**2,408,653**
Average number of employees	**1**	**2**

3. Financial income

	2024	2023
	DKK	DKK
Interest from group enterprises	185,300	479,896
Other financial income	0	111,971
	185,300	**591,867**

4. Financial expenses

	2024	2023
	DKK	DKK
Interest to group enterprises	1,177,765	3,069,373
Other financial expenses	54,768	3,174
Exchange loss	1,827	2,259
	1,234,360	**3,074,806**

Notes to the Financial Statements

	2024	2023
	DKK	DKK
5. Income tax expense		
Current tax for the year	-385,087	-895,279
Deferred tax for the year	169,247	421,405
Adjustment of tax concerning previous years	48,421	0
	-167,419	**-473,874**

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	24,227
Cost at 31 December	24,227
Carrying amount at 31 December	**24,227**

	2024	2023
	DKK	DKK
7. Investments in subsidiaries		
Cost at 1 January	44,896,476	44,896,476
Cost at 31 December	44,896,476	44,896,476
Carrying amount at 31 December	**44,896,476**	**44,896,476**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
Pixelz Services ApS	Denmark	100%	22,879,878	9,603,406
Pixelz Nordic ApS	Denmark	100%	3,272,059	697,920
Pixelz Inc.	USA	100%	3,444,859	-68,631
Remove The Background B.V	Netherlands	100%	1,180,565	109,684
Pixelz Company Limited	Vietnam	100%	2,966,473	754,452
Pixelz EMEA GmbH	Germany	100%	2,158,325	171,753
Pixelz Spain, SL	Spain	100%	49,346	118,272
			35,951,505	**11,386,856**

Notes to the Financial Statements

8. Share capital

The share capital consists of 103,947,409 shares of a nominal value of DKK 0.01. No shares carry any special rights.

On 31 June 2021, the company acquired 22,590,104 of its own shares, corresponding to 22%. The total payment for the shares amounted to TDKK 30,426, which has been deducted from retained earnings under equity. These shares have not been cancelled and are therefore held as treasury shares. The company can therefore sell these shares at a later date. The shares were acquired as part of the company's strategy. On 29 December 2021, the company sold 1,310,000 of its own shares, corresponding to 1%. The total payment for the shares amounted to TDKK 1,819, which has been added to retained earnings under equity. The shares were sold as part of the company's strategy.

The company owns a total of 21,280,104 shares with a nominal value of DKK 212,801, corresponding to 20% of the total capital.

	2024	2023
	DKK	DKK

9. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	2024 DKK	2023 DKK
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	0	43,974
	0	**43,974**

Guarantee obligations

An unlimited surety has been provided to Pixelz Invest A/S for all debt to financial institutions.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Adelis Services II ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

10. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Pixelz TopCo A/S	København N

Notes to the Financial Statements

11. Accounting policies

The Annual Report of Pixelz ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2024 of Pixelz TopCo A/S, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Pixelz TopCo A/S, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Notes to the Financial Statements

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Staff expenses

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.

Income from investments in subsidiaries and associates

Dividends from subsidiaries and associates are recognised as income in the income statement when adopted at the General Meeting of the companies. However, dividends relating to earnings in the companies before they were acquired by the Parent Company are set off against the cost of the companies.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Adelis Services II ApS. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

4-5 years

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.