Deloitte.

Dripdrop ApS

Klosterport 4 S, 1.
8000 Aarhus C
CVR No. 36424303

Annual report 01.10.2023 - 30.09.2024

The Annual General Meeting adopted the annual report on 28.03.2025

Søren Jørgensen
Chairman of the General Meeting

Contents

Entity details

Entity

Dripdrop ApS
Klosterport 4 S, 1.
8000 Aarhus C

Business Registration No.: 36424303
Registered office: Aarhus
Financial year: 01.10.2023 - 30.09.2024

Board of Directors

Eva Jonassen
Thomas Gleerup
Bo Wase

Executive Board

Olof Mattias Edström
Andreas Malmberg Søgaard

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 Dripdrop ApS for the financial year 01.10.2023 - 30.09.2024.

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 30.09.2024 and of the results of its operations for the financial year 01.10.2023 - 30.09.2024.

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.

Aarhus C, 28.03.2025

Executive Board

Olof Mattias Edström

Andreas Malmberg Søgaard

Board of Directors

Eva Jonassen

Thomas Gleerup

Bo Wase

Independent auditor's extended review report

To the shareholders of Dripdrop ApS

Conclusion

We have performed an extended review of the financial statements of Dripdrop ApS for the financial year 01.10.2023 - 30.09.2024, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2024 and of the results of its operations for the financial year 01.10.2023 - 30.09.2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review 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 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 C, 28.03.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jonas Thøstesen Svensson
State Authorised Public Accountant
Identification No (MNE) mne47824

Management commentary

Primary activities
The company's main activities consist of developing, designing, distributing, and renting out umbrellas, as well as improving urban life and creating the world's best cities in rainy weather.

Research and development activities
Development projects related to Dripdrop Hotels.

Dripdrop Hotels is a development project focused on creating a new version and technology for an umbrella holder for hotels, building on a previous version of the same product.

At a high level, the goal is to design a product that seamlessly enables the rental of sustainable umbrellas to hotel guests and other target groups - initially in Europe and eventually in larger parts of the world.

On a more technical level, it is a complex development project incorporating advanced elements of mechanics, electronics, IoT, and contactless payment technology.

Development projects in progress include new development of stands for the American market, including new IoT and an interface oriented towards the American market.

For all projects, it is our assessment that the recognition criteria are met. Management has assessed that there is no need for impairment.

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.

Income statement for 2023/24

	Notes	2023/24 DKK	2022/23 DKK
Gross profit/loss		**6,306,772**	**2,398,259**
Staff costs	1	(5,240,777)	(2,038,906)
Depreciation, amortisation and impairment losses	2	(3,694,496)	(1,829,724)
Operating profit/loss		**(2,628,501)**	**(1,470,371)**
Other financial expenses	3	(1,095,820)	(584,446)
Profit/loss before tax		**(3,724,321)**	**(2,054,817)**
Tax on profit/loss for the year	4	0	(206,909)
Profit/loss for the year		**(3,724,321)**	**(2,261,726)**
Proposed distribution of profit and loss			
Retained earnings		(3,724,321)	(2,261,726)
Proposed distribution of profit and loss		**(3,724,321)**	**(2,261,726)**

Balance sheet at 30.09.2024

Assets

	Notes	2023/24 DKK	2022/23 DKK
Completed development projects	6	1,793,392	2,490,690
Development projects in progress	6	140,140	0
Intangible assets	5	**1,933,532**	**2,490,690**
Other fixtures and fittings, tools and equipment		8,746,717	4,012,142
Property, plant and equipment in progress		4,084,397	2,004,108
Property, plant and equipment	7	**12,831,114**	**6,016,250**
Deposits		207,704	99,125
Financial assets	8	**207,704**	**99,125**
Fixed assets		**14,972,350**	**8,606,065**
Trade receivables		2,110,211	800,135
Other receivables		604,339	375,568
Prepayments		411,300	0
Receivables		**3,125,850**	**1,175,703**
Cash		**3,249,598**	**3,561,895**
Current assets		**6,375,448**	**4,737,598**
Assets		**21,347,798**	**13,343,663**

Equity and liabilities

	Notes	2023/24 DKK	2022/23 DKK
Contributed capital		96,014	89,785
Reserve for development expenditure		1,487,766	1,942,738
Retained earnings		4,589,861	2,389,727
Equity		**6,173,641**	**4,422,250**
Debt to other credit institutions		4,773,501	6,064,659
Non-current liabilities other than provisions	9	**4,773,501**	**6,064,659**
Current portion of non-current liabilities other than provisions	9	1,803,175	0
Bank loans		1,054,717	1,221
Trade payables		989,817	899,251
Payables to owners and management		81,000	0
Other payables	10	2,617,476	735,243
Deferred income		3,854,471	1,221,039
Current liabilities other than provisions		**10,400,656**	**2,856,754**
Liabilities other than provisions		**15,174,157**	**8,921,413**
Equity and liabilities		**21,347,798**	**13,343,663**
Unrecognised rental and lease commitments	11		
Assets charged and collateral	12		

Statement of changes in equity for 2023/24

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	89,785	0	1,942,738	3,984,801	6,017,324
Corrections of material errors	0	0	0	(1,595,074)	(1,595,074)
Adjusted equity beginning of year	**89,785**	**0**	**1,942,738**	**2,389,727**	**4,422,250**
Increase of capital	6,229	5,493,771	0	0	5,500,000
Transferred from share premium	0	(5,493,771)	0	5,493,771	0
Costs related to equity transactions	0	0	0	(24,288)	(24,288)
Transfer to reserves	0	0	(454,972)	454,972	0
Profit/loss for the year	0	0	0	(3,724,321)	(3,724,321)
Equity end of year	**96,014**	**0**	**1,487,766**	**4,589,861**	**6,173,641**

Notes

1 Staff costs

	2023/24 DKK	2022/23 DKK
Wages and salaries	5,127,598	2,004,671
Other social security costs	113,179	34,235
	5,240,777	**2,038,906**

Average number of full-time employees	12	5

2 Depreciation, amortisation and impairment losses

	2023/24 DKK	2022/23 DKK
Amortisation of intangible assets	697,298	748,834
Depreciation of property, plant and equipment	2,997,198	1,080,890
	3,694,496	**1,829,724**

3 Other financial expenses

	2023/24 DKK	2022/23 DKK
Other interest expenses	765,959	432,772
Exchange rate adjustments	44,815	32,763
Other financial expenses	285,046	118,911
	1,095,820	**584,446**

4 Tax on profit/loss for the year

	2023/24 DKK	2022/23 DKK
Adjustment concerning previous years	0	206,909
	0	**206,909**

5 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	4,167,740	0
Additions	0	140,140
Cost end of year	**4,167,740**	**140,140**
Amortisation and impairment losses beginning of year	(1,677,050)	0
Amortisation for the year	(697,298)	0
Amortisation and impairment losses end of year	**(2,374,348)**	**0**
Carrying amount end of year	**1,793,392**	**140,140**

6 Development projects

Development projects related to Dripdrop Hotels.

Dripdrop Hotels is a development project focused on creating a new version and technology for an umbrella holder for hotels, building on a previous version of the same product.

At a high level, the goal is to design a product that seamlessly enables the rental of sustainable umbrellas to hotel guests and other target groups - initially in Europe and eventually in larger parts of the world.

On a more technical level, it is a complex development project incorporating advanced elements of mechanics, electronics, IoT, and contactless payment technology.

Development projects in progress include new development of stands for the American market, including new IoT and an interface oriented towards the American market.

For all projects, it is our assessment that the recognition criteria are met. Management has assessed that there is no need for impairment.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	5,741,561	2,004,108
Transfers	7,749,000	(7,749,000)
Additions	153,773	9,829,289
Disposals	(829,282)	0
Cost end of year	**12,815,052**	**4,084,397**
Depreciation and impairment losses beginning of year	(1,729,419)	0
Depreciation for the year	(2,997,198)	0
Reversal regarding disposals	658,282	0
Depreciation and impairment losses end of year	**(4,068,335)**	**0**
Carrying amount end of year	**8,746,717**	**4,084,397**

8 Financial assets

	Deposits DKK
Cost beginning of year	99,125
Additions	128,079
Disposals	(19,500)
Cost end of year	**207,704**
Carrying amount end of year	**207,704**

9 Non-current liabilities other than provisions

	Due within 12 months 2023/24 DKK	Due after more than 12 months 2023/24 DKK
Debt to other credit institutions	1,803,175	4,773,501
	1,803,175	**4,773,501**

As of the reporting date, the company confirms that there are no outstanding debts or liabilities that are due for repayment beyond a period of five years.

10 Other payables

	2023/24 DKK	2022/23 DKK
VAT and duties	866,322	66,464
Wages and salaries, personal income taxes, social security costs, etc. payable	229,517	225,230
Holiday pay obligation	113,821	49,925
Other costs payable	1,407,816	393,624
	2,617,476	**735,243**

11 Unrecognised rental and lease commitments

	2023/24 DKK	2022/23 DKK
Liabilities under rental or lease agreements until maturity in total	324,077	35,740

12 Assets charged and collateral

To secure debt to EIFO and Danske Bank A/S, amounting to t.DKK 6.577, the company has provided a business charge of DKK 8,000 thousand. The business charge includes the following assets, whose carrying amount on the balance sheet date is:

Other operating equipment and fixtures: DKK 12.831 thousand (2022/23: DKK 6.016 thousand)
Trade receivables: DKK 2.110 thousand (2022/23: DKK 800 thousand)
Intangible assets: DKK 1.907 thousand (2022/23: DKK 2.491 thousand)

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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

Material errors in previous years

In the current financial statements, corrections have been made to rectify material errors identified in prior period. These adjustments relate to incorrect revenue recognition due to misallocation across reporting periods, improper recognition of deferred tax assets, and incorrect classification of development projects that were classified as development projects in progress last year.

The changes have been applied retrospectively, and therefore, comparative figures have been adjusted. These adjustments have had the following impact on the 2022/23 figures:

Profit before tax: DKK (1.394.485)
Current tax for the year: DKK (374.035)
Equity: DKK (1.595.074)
Total assets: DKK (582.148)

Comparative figures have been adjusted to reflect the misstatement from last year.

Apart from the aforementioned areas, the annual report has been prepared in accordance with the same accounting policies as the previous years.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables 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 from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

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 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 and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

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.

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

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

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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 self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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	1,5 - 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.

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

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

Cash
Cash comprises bank deposits.

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

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